



**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR**

Meeting Date: Wednesday, June 29, 2016 at 10:00 a.m. (Halifax Time)

**Website: www.nxsilver.com
Email: info@nxsilver.com**

NSX SILVER INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
June 29, 2016

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of NSX SILVER INC. (the “**Corporation**”) will be held at:

Place: Computershare Investor Services Inc.
Suite 2008
1969 Upper Water Street
Purdy’s Wharf II
Halifax, Nova Scotia

Date: Wednesday, June 29, 2016

Time: 10:00 a.m. (Halifax time)

The purposes of the Meeting are to:

1. Receive and consider the financial statements of the Corporation for the fiscal year ended December 31, 2015 and the auditors’ report thereon;
2. Elect directors;
3. Appoint auditors and authorize the directors to fix their remuneration;
4. To consider and if thought advisable, to pass, with or without amendment, a resolution (the “**Stock Option Plan Resolution**”) in the form annexed as Schedule A to the accompanying management proxy circular of the Corporation (the “**Circular**”), approving the adoption of a stock option plan for the Corporation, substantially in the form of the 2016 Stock Option Plan annexed as Schedule B to the Circular;
5. To consider and if thought advisable, to pass, with or without amendment, a special resolution (the “**Change of Name Special Resolution**”) in the form annexed as Schedule C to the Circular, approving an amendment to the Articles of the Corporation so as to change its corporate name, as more particularly described in the Circular; and
6. Transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Corporation as of the close of business on May 25, 2016 are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

If you are unable to attend the Meeting in person, please complete and sign the enclosed form of proxy and deliver it to Computershare Investor Services Inc. by mail or hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. A shareholder may also vote using the internet at www.investorvote.com or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (AST) on June 27, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

DATED the 30th day of May, 2016
BY ORDER OF THE BOARD OF DIRECTORS

(signed) Johannes H. C. van Hoof
Chairman, President and Chief Executive Officer

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation by the management of NSX Silver Inc. (the “Corporation”) of proxies to be used at the Annual and Special Meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to certain beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares” below.

INTERNET AVAILABILITY OF PROXY MATERIALS

Rules recently adopted by the Canadian securities administrators, known as the “notice and access” distribution option, allow companies to send to shareholders a notice to the effect that proxy materials are available via the Internet, rather than mailing full sets of proxy materials to them. This year, the Corporation chose to mail full sets of proxy materials to shareholders. In the future, the Corporation may take advantage of the “notice and access” distribution option. If in the future the Corporation chooses to send such notices to shareholders, the notices will contain instructions on how shareholders can gain access to the Corporation’s notice of meeting and management proxy circular via the Internet. The notices will also contain instructions on how shareholders can ask that proxy materials be delivered to them electronically or in printed form on a one-time or ongoing basis.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. by mail or hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. A shareholder may also vote using the internet at www.investorvote.com or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (AST) on June 27, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the shareholder’s appointee should be legibly printed in the blank space provided. In addition, the shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the shareholder’s shares are to be voted.

Shareholders who are not registered shareholders should refer to “Notice to Beneficial Holders of Shares” below.

Revocation of Proxy

A shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney or authorized agent and deposited with Computershare Investor Services Inc. at any time up to 10:00 a.m. (AST) on June 27, 2016 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

Notice to Beneficial Holders of Shares

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders do not hold shares of the Corporation in their own name. Shareholders who do not hold their shares of the Corporation in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder’s name on the records of the Corporation. Those 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 shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

National Instrument 54-101 allows the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the Notice of Meeting, this Circular and a voting instruction form or form of proxy, as applicable (collectively, the “**Meeting Materials**”) directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Meeting Materials indirectly to all Beneficial Shareholders through intermediaries. The cost of the delivery of the Meeting Materials by intermediaries to Beneficial Shareholders will be borne by the Corporation.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation’s transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the shareholder as indicated on the proxy. In the absence of such specification, such shares will be voted FOR the: (i) election of directors; (ii) appointment of auditors, (iii) Stock Option Plan Resolution, and (iv) Change of Name Special Resolution, as set out under such headings in this Circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting or any adjournment thereof. As of the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the persons named in the proxy.

VOTING SHARES

As at May 30, 2016, there were 4,592,957 issued and outstanding common shares of the Corporation. Each common share entitles the holder thereof to one vote. The Corporation has fixed May 25, 2016 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to attend or vote at the Meeting or any adjournment(s) thereof. The list of shareholders is available for inspection during usual business hours at the offices of Computershare Investor Services Inc., Suite 2008, 1969 Upper Water Street, Purdy’s Wharf II, Halifax, Nova Scotia, being the place where the Corporation’s central securities register is maintained.

PRINCIPAL HOLDERS

As at May 30, 2016, to the best knowledge of the Corporation, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the common shares of the Corporation:

<u>Name and place of residence</u>	<u>Number of shares held</u>	<u>Percentage</u>
James Nicoll Halifax, Nova Scotia, Canada	829,000	18.05%
Glenn Holmes Hammonds Plains, Nova Scotia, Canada	527,600	11.49%

ELECTION OF DIRECTORS

The Board currently consists of five directors. The persons named in the enclosed form of proxy intend to vote for the election of the five nominees whose names are set forth below. Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless he resigns or his office becomes vacant by removal, death or other cause.

The following table sets out the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his principal occupation, the year in which such person became a director of the Corporation, and the number of common shares of the Corporation that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

<u>Name, municipality of residence and position with the Corporation</u>	<u>Principal occupation</u>	<u>First year as director</u>	<u>Number of shares beneficially owned or over which control is exercised as at May 29, 2015</u>
Johannes H. C. van Hoof ⁽¹⁾ Buenos Aires, Argentina Chairman of the Board of Directors, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	2011	316,400 ⁽²⁾
Glenn A. Holmes Hammonds Plains, Nova Scotia, Canada Chief Financial Officer and Director	Chief Financial Officer Oceanus Resources Corporation (mining exploration company)	2011	527,600
Grant Loon ⁽¹⁾ Stockholm, Sweden Director	Managing Director VHC Sweden (investment management company)	2011	30,260
James D. Nicoll Halifax, Nova Scotia, Canada Director	Chief Executive Officer Canasur Gold Ltd. (mining exploration company)	2016	829,000
James M. Proudfoot ⁽¹⁾ Woodstock, Ontario, Canada Director	President James M. Proudfoot Limited (consulting mining engineering firm)	2011	3,850

(1) Member of the Audit Committee.

(2) These shares are held by Van Hoof Industrial Holdings Ltd., a company controlled by Mr. van Hoof.

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually.

All of the nominees whose names are set out above have previously been elected directors of the Corporation at a shareholders' meeting for which an information circular was issued, except for James D. Nicoll. The following is a brief biography of James D. Nicoll.

James D. Nicoll

James D. Nicoll has more than 20 years' experience working with emerging companies providing management and financing expertise. Mr. Nicoll is Chief Executive Officer of Canasur Gold Ltd., a mineral exploration company. Mr. Nicoll was previously Chief Executive Officer of a real estate company with a portfolio of multi-family residential properties in the United States prior to which he spent ten years with PricewaterhouseCoopers LLP as a VP in the corporate finance practice. Mr. Nicoll also worked with Yorkton Securities in public company finance and is a past Commissioner of the Nova Scotia Securities Commission.

To the knowledge of the Corporation, none of the foregoing nominees for election as a director:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, 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 his assets.

None of the foregoing nominees for election as 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.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

This Compensation Discussion and Analysis is intended to provide information about the Corporation's executive compensation philosophy, objectives and process and to discuss compensation relating to each person who acted as Chief Executive Officer and as Chief Financial Officer and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was more than \$150,000 in the Corporation's last financial year (each a "**Named Executive Officer**" and collectively the "**Named Executive Officers**"). For the fiscal year ended December 31, 2015, the Corporation had two Named Executive Officers, namely, Johannes H. C. van Hoof (Chief Executive Officer) and Glenn A. Holmes (Chief Financial Officer).

The following is a description of the Corporation's executive compensation philosophy and objectives for the fiscal year ended December 31, 2015.

Compensation Philosophy and Objectives

The Corporation is a mining exploration company and, at present, does not have positive earnings. In light of the Corporation's current stage of development, it does not have a formal compensation program. The Board of Directors meets to discuss and determine management compensation without reference to formal criteria. The general objective of the Corporation's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other junior mining exploration companies in order to enable the Corporation to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a junior mining exploration company without a history of earnings.

Compensation Process

The Board of Directors does not have a Compensation Committee. The Board of Directors, as a whole, ensures that total compensation paid to all Named Executive Officers is fair and reasonable and accomplishes the following long-term objectives:

- o produce long-term, positive results for the Corporation's shareholders;
- o align executive compensation with corporate performance; and
- o provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

Analysis of Elements

The compensation paid to Named Executive Officers is comprised of two main components: base salary and long-term incentives, in the form of stock options granted pursuant to the Corporation's 2011 Stock Option Plan, adopted by the Board of Directors on September 28, 2011. The following discussion describes the components of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. The Corporation believes that:

- o base salaries provide an immediate cash incentive for the Corporation's Named Executive Officers and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent; and
- o stock options ensure that the Named Executive Officers are motivated to achieve long-term growth of the Corporation and increases in shareholder value, and provide capital accumulation linked directly to the Corporation's performance.

The Corporation places equal emphasis on base salary and stock options as short-term and long-term incentives, respectively.

Base Salaries

The Named Executive Officers receive a base salary which is based primarily on the level of responsibility of the position, the qualifications and experience of the officer and market conditions.

The base salaries of the Named Executive Officers are reviewed annually to ensure that they take into account the following factors: market and economic conditions, levels of responsibility and accountability of each Named Executive Officer, skill and competencies of each individual, retention considerations, and level of demonstrated performance.

Base salaries, including that of the Chief Executive Officer, are reviewed by the Board of Directors, as a whole, on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the Chief Executive Officer to the Corporation's long-term growth and the knowledge of the members of the Board of Directors with respect to remuneration practices in Canada.

Long-Term Incentive Plans and Stock Option Plan

The Corporation has no long-term incentive plans in effect other than the 2011 Stock Option Plan. The Corporation provides long-term incentive compensation to its Named Executive Officers through the 2011 Stock Option Plan. For the material terms and conditions of the Corporation's 2011 Stock Option Plan, see the heading "2011 Stock Option Plan" below.

During the fiscal year ended December 31, 2015, the Corporation did not grant any stock options to Named Executive Officers.

Group Benefits/Perquisites

The officers of the Corporation do not benefit from any life, medical, long-term disability or other insurance. None of the officers benefits from a retirement plan.

External Compensation Consultants

During the fiscal years ended December 31, 2015 and 2014, the Corporation did not retain the services of executive compensation consultants to assist the Board of Directors in determining compensation for any of the Corporation's Named Executive Officers or directors.

Assessment of Risks Associated with the Corporation's Compensation Policies and Practices

The Board of Directors has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Board of Directors has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Board of Directors considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Corporation has not adopted a policy restricting its Named Executive Officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its Named Executive Officers or directors. To the knowledge of the Corporation, none of the Named Executive Officers or directors has purchased such financial instruments.

Summary of the Compensation of the Named Executive Officers

The following table provides information for the fiscal years ended December 31, 2015, 2014 and 2013 regarding compensation paid to or earned by the Named Executive Officers.

Summary Compensation Table

Name and principal occupation	Year	Salary ⁽¹⁾ (\$)	Share-based awards ⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension value ⁽⁵⁾ (\$)	All other compensation ⁽⁶⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans			
Johannes H. C. van Hoof President and Chief Executive Officer	2015	1	—	—	—	—	—	—	1
	2014	1	—	—	—	—	—	—	1
	2013	1	—	—	—	—	—	—	1
Glenn A. Holmes Chief Financial Officer	2015	—	—	—	—	—	—	—	—
	2014	—	—	—	—	—	—	21,000	21,000
	2013	—	—	14,100	—	—	—	40,000	54,100

(1) This column discloses the actual salary earned during the fiscal year indicated.

(2) The Corporation does not have a share-based compensation plan.

(3) This column discloses the total value of stock options at the time of grant. **These figures do not reflect the current value of the stock options or the value, if any, that may be realized if and when the stock options are exercised.** The value of the option awards was calculated using the Black-Scholes option-pricing model using the same assumptions used for determining the equity-based compensation expense in the Corporation's financial statements for the fiscal year ended December 31, 2013 in accordance with generally accepted accounting principles. The Black-Scholes model was selected by the Corporation as it is the most widely-adopted and used option-valuation method. These assumptions are:

	2013
Risk-free interest rate:	1.4%
Expected life of options:	5 years
Expected volatility:	160%
Dividend yield:	0%
Fair value of granted option at the date of grant:	\$0.04

(4) The amounts disclosed in the column are granted as annual cash bonuses and are attributable in the fiscal year indicated.

(5) The Corporation does not have a retirement plan.

(6) This column discloses the consulting fees that were paid and accrued to Glenn A. Holmes.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the details of all stock options held by the Named Executive Officers as at December 31, 2015, the end of the Corporation's most recently-completed financial year.

Name	Option-Based Awards			Share-Based Awards ⁽³⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)	Number of Performance Shares that have not Vested (#)	Market or Payout Value of Performance Shares that have not Vested (\$)
Johannes H. C. van Hoof	—	—	—	—	n/a	n/a
Glenn A. Holmes ⁽²⁾	—	—	—	—	n/a	n/a

(1) This column sets out the aggregate value of in-the-money unexercised stock options as at December 31, 2015, calculated based on the difference between the market price of the common shares underlying the stock options as at December 31, 2015 (\$0.02), and the exercise price of the stock options.

(2) In May 2015, Mr. Holmes agreed to cancel all of his stock options.

(3) The Corporation does not have a share-based compensation plan.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 31, 2015 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Johannes H. C. van Hoof	n/a ⁽³⁾	—	—
Glenn A. Holmes	n/a ⁽³⁾	—	—

(1) Calculated based on the difference between the market price of the shares underlying the options at the vesting date and the exercise price of the option on the vesting date.

(2) The Corporation does not have a share-based compensation plan.

(3) The Named Executive Officer does not hold any option-based awards.

Termination and Change of Control Benefits

The Corporation does not have any plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a change in the Named Executive Officer's responsibilities following such a change of control.

Director Compensation

During the fiscal year ended December 31, 2015, the Corporation did not pay any cash remuneration to its directors for their services in such capacity, nor did the Corporation grant any stock options to its directors. The following table sets out the compensation of the directors of the Corporation (other than the Named Executive Officers) for their services as such during the fiscal year ended December 31, 2015.

Name	Fees earned (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)	Pension value ⁽⁴⁾ (\$)	All other compensation ⁽⁵⁾ (\$)	Total (\$)
Grant Loon Director	—	—	—	—	—	—	—
James Nicoll Director	—	—	—	—	—	—	—
James M. Proudfoot Director	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—

(1) The Corporation does not have a share-based compensation plan.

(2) The Corporation did not grant stock options to the directors during the fiscal year ended December 31, 2015.

(3) The Corporation does not have any non-equity long-term incentive plan for directors.

(4) The Corporation does have a retirement plan.

(5) The Corporation does not provide directors with any other form of compensation.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the details of all option-based awards outstanding at December 31, 2015 held by the directors of the Corporation (other than the Named Executive Officers). The Corporation does not have a share-based compensation plan for directors.

Name	Option-Based Awards				Share-Based Awards ⁽¹⁾	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based awards that have not Vested (\$)
Grant Loon ⁽²⁾ Director	—	—	n/a	—	—	—
James Nicoll Director	—	—	n/a	—	—	—
James M. Proudfoot ⁽²⁾ Director	—	—	n/a	—	—	—

(1) The Corporation does not have a share-based compensation plan.

(2) This column sets out the aggregate value of in-the-money unexercised stock options as at December 31, 2014, calculated based on the difference between the market price of the common shares underlying the stock options as at December 31, 2015 (\$0.02) and the exercise price of the stock options.

(3) In May 2015, Mr. Loon and Mr. Proudfoot agreed to cancel all of their stock options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each director (other than the Named Executive Officers), the value of option-based awards and share-based awards which vested during the year ended December 31, 2015 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Grant Loon	—	n/a	—
James Nicoll	—	n/a	—
James M. Proudfoot	—	n/a	—

- (1) Calculated based on the difference between the market price of the shares underlying the options at the vesting date and the exercise price of the option on the vesting date.
- (2) The Corporation does not have a share-based compensation plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2015, the end of the Corporation’s last fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under the equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders	Nil	Nil	Nil
Equity compensation plans not previously approved by shareholders	Nil ⁽²⁾	N/A	400,000

- (1) The Corporation does not have any warrants or rights outstanding under any equity compensation plans.
- (2) Stock options granted pursuant to the Corporation’s 2011 Stock Option Plan, adopted by the Board of Directors on September 28, 2011.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is, or who was at any time during the fiscal year ended December 31, 2015, a director, executive officer or senior officer of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended December 31, 2015, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year ended December 31, 2015 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

AUDIT COMMITTEE

Charter of the Audit Committee

The Charter of the Audit Committee is annexed to this Circular as Schedule D.

Composition of the Audit Committee

The Audit Committee is composed of Johannes H. C. van Hoof, Grant Loon and James M. Proudfoot. Under National Instrument 52-110 *Audit Committees*, a director of an Audit Committee is “independent” if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of the member’s independent judgment.

The Board of Directors has determined that Johannes H. C. van Hoof is not an independent member of the Audit Committee as he is the President and Chief Executive Officer of the Corporation. The Board of Directors has further determined that Grant Loon and James M. Proudfoot are independent members of the Audit Committee.

The Board of Directors has determined that each of the three members of the Audit Committee is “financially literate” within the meaning of section 1.5 of National Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee is described below.

Johannes H.C. van Hoof – Johannes (Hans) van Hoof has held senior positions at various European financial institutions, including PVF Pension Funds, Paribas Capital Markets and Bankers Trust. His roles during the past 28 years include senior Portfolio Manager, senior Risk Manager, Deputy Head of global equity derivatives, Managing Director responsible for M&A arbitrage, derivatives arbitrage and venture capital investments as well as Chairman and Senior Executive Officer of Soros Funds Limited in London. In 2002, Mr. van Hoof founded VHC Partners alternative investment management group, active in hedge fund management, corporate and project finance advisory services, private equity investments and charitable projects. Mr. van Hoof is Chief Executive Officer of Van Hoof Industrial Holdings Ltd. since 2002. Mr. van Hoof is also Chief Executive Officer and Chairman of the Board of Directors of NSGold Corporation (TSX Venture Exchange) and a director of Globex Mining Enterprises Inc. (TSX).

Grant Loon – Grant Loon has more than 15 years of experience in trading and operations roles within financial institutions and alternative investment management firms. As Partner and Chief Operating Officer of VHC Partners, an alternative investment management group, Mr. Loon had responsibility for the establishment and oversight of the group’s operations. More recently, his roles have included establishing a multi-fund operations infrastructure and risk management framework while working as COO for a Stockholm-based hedge fund management company. Mr. Loon is currently the Managing Director of VHC Sweden and holds several non-executive Board positions. Prior to joining VHC, Mr. Loon worked at Morgan Stanley & Co. International, Commerzbank Global Equities and Soros Funds Limited. Mr. Loon is a director of NSGold Corporation (TSX Venture Exchange).

James M. Proudfoot – James M. Proudfoot has more than 45 years’ experience in the mining industry as a mining engineer and independent consultant. He has held senior production management positions with several mining companies, including Noranda Mines as a production engineer and Mine Superintendent and Chief Engineer for Anaconda America Brass Ltd. at the Caribou mine. His career spans all facets of the industry from exploration through project design and construction to operations management. Mr. Proudfoot served in executive management functions with mine development contractors, as Vice President Finance of J. S. Redpath Ltd. and Manager of Mine Contracting with The Cementation Company (Canada) Limited. Since 1976, Mr. Proudfoot has been President of James M. Proudfoot Limited, an independent consulting mining engineering firm. He holds a B.Sc. degree, Geology and Mathematics, from Acadia University (1957), a B.Eng. degree, Mining Engineering, from McGill University (1959) and a CMA Society of Industrial Accountant (1970). He is currently a director of Lovitt Resources Inc. (TSX Venture Exchange) and NSGold Corporation (TSX Venture Exchange) and served as a director and officer of Aurogin Resources Ltd. (CDNX) from 1995 to 2003.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently-completed financial year, the Corporation’s Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation’s most recently-completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 *Audit Committees* in whole or in part. The Corporation is relying on the exemption set out in section 6.1

of National Instrument 52-110 *Audit Committees*, with respect to the composition of the Audit Committee and certain reporting obligations.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Charter of the Audit Committee, a copy of which is annexed to this Circular as Schedule D.

External Auditor Fees

(a) Audit Fees

“Audit fees” consist of fees for professional services for the audit of the Corporation’s annual financial statements, assistance with interim financial statements, and related matters. PricewaterhouseCoopers LLP, Chartered Accountants, the Corporation’s former external auditors, billed the Corporation nil in audit fees during the fiscal year ended December 31, 2015 and \$12,000 in audit fees during the fiscal year ended December 31, 2014.

(b) Audit-Related Fees

“Audit-related fees” consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and which are not reported under “Audit Fees” above. PricewaterhouseCoopers LLP, Chartered Accountants, the Corporation’s former external auditors, did not bill the Corporation for audit-related fees during the fiscal years ended December 31, 2015 and December 31, 2014.

(c) Tax Fees

“Tax fees” consist of fees for professional services for tax compliance, tax advice and tax planning. PricewaterhouseCoopers LLP, Chartered Accountants, the Corporation’s former external auditors, did not bill the Corporation for tax fees during the fiscal years ended December 31, 2015 and December 31, 2014.

(d) All Other Fees

“All Other Fees” consist of fees for services other than the audit fees, audit-related fees and tax fees described above. PricewaterhouseCoopers LLP, Chartered Accountants, the Corporation’s former external auditors, did not bill the Corporation for other services during the fiscal years ended December 31, 2015 and December 31, 2014.

APPOINTMENT OF AUDITORS

At the Corporation’s annual meeting held on June 30, 2015, shareholders appointed PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation. On May 18, 2016, the Corporation accepted the resignation of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation following the request of the Corporation and named KPMG LLP, Chartered Accountants, as the new auditors of the Corporation. PricewaterhouseCoopers LLP, Chartered Accountants, had served as the auditors of the Corporation since August 2011.

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditors of the Corporation until the next annual meeting of shareholders, at such remuneration as may be determined by the Board of Directors.

In light of the foregoing, a reporting package is annexed to this Management Proxy Circular as Schedule E, as required by National Instrument 51-102 Continuous Disclosure Obligations. The reporting package contains a: (i) Notice of Change of Auditors dated May 18, 2016 by the Corporation; (ii) letter dated May 19, 2016 from PricewaterhouseCoopers LLP, Chartered Accountants; and (iii) letter dated May 19, 2016 from KPMG LLP, Chartered Accountants.

2016 STOCK OPTION PLAN RESOLUTION

Shareholders will be asked to consider and, if thought appropriate, to approve the Stock Option Plan Resolution in the form annexed hereto as Schedule A. The 2016 Stock Option Plan is annexed hereto as Schedule B.

The following information is intended to be a brief description of the 2016 Stock Option Plan and is qualified in its entirety by the full text of the 2016 Stock Option Plan set out in Schedule B, subject to any revisions or amendments deemed necessary by the Board of Directors of the Corporation.

The following are the material terms and conditions of the 2016 Stock Option Plan:

- (i) the Board of Directors of the Corporation may grant options to employees, officers and directors of, and consultants to, the Corporation and its subsidiaries;
- (ii) the maximum number of shares that may be issued under the 2016 Stock Option Plan must not exceed 10% of the total number of outstanding shares at the date of the grant of options;
- (iii) the total number of shares reserved for issuance upon the exercise of options by any one person cannot exceed, during any twelve-month period, 5% of the number of outstanding shares of the Corporation;
- (iv) the total number of shares reserved for issuance upon the exercise of options by any one consultant cannot exceed, during any twelve-month period, 2% of the number of outstanding shares of the Corporation;
- (v) the total number of shares reserved for issuance upon the exercise of options to all persons conducting investor-relation activities, whether under the 2016 Stock Option Plan or any other stock option plan, cannot exceed, during any twelve-month period, 2% of the number of outstanding shares of the Corporation;
- (vi) the grant to insiders of the Corporation, as a group (as such term is defined under the policies of the TSX Venture Exchange), within a twelve-month period, of an aggregate number of options must not exceed 10% of the issued and outstanding shares of the Corporation at the date an option is granted to any insider, unless the approval of the disinterested shareholders of the Corporation is obtained;
- (vii) the exercise price of options is determined by the Board of Directors at the time options are granted, but cannot be less than the closing price of the Corporation's shares on the trading day immediately preceding the day on which an option is granted, less any applicable discounts permitted by the TSX Venture Exchange;
- (viii) at the time of granting an option, the Board of Directors, at its discretion, may set a "vesting schedule", that is, one or more dates from which an option may be exercised in whole or in part. If the Board of Directors does not set such a schedule at the time of granting an option, the option may be exercised in whole or in part immediately in respect of all of the shares under option;
- (ix) options expire a maximum of ten years after the date of grant, as determined by the Board of Directors;
- (x) if an optionee ceases to be eligible under the 2016 Stock Option Plan for cause, all options held by the optionee lapse on that date;
- (xi) if an optionee dies, any option held by the optionee may be exercised by the earlier of the date of expiry of the option and one year after the date of death, after which the option lapses;
- (xii) if an optionee ceases to be eligible under the 2016 Stock Option Plan otherwise than for cause or death, any "vested" option held by the optionee may be exercised for a period of 90 days after such date, within a reasonable longer period as determined by the Board of Directors in its sole discretion, or prior to the expiration of the term of the option, whichever occurs earliest, after which the option lapses;
- (xiii) the option exercise price is payable in full at the time an option is exercised;
- (xiv) options are not assignable, other than by the laws of succession;
- (xv) if the Corporation is required under the Income Tax Act (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee must, concurrently with the exercise of the option:

- (a) pay to the Corporation, in addition to the exercise price of the option, sufficient cash as is determined by the Corporation, in its sole discretion, to be the amount necessary to fund the required tax remittance;
 - (b) authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, in its sole discretion, such portion of the shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or
 - (c) make other arrangements acceptable to the Corporation, in its sole discretion, to fund the required tax remittance; and
- (xvi) in the event an offer to purchase the shares or any part thereof is made to all shareholders (other than the offeror or offerors), the Corporation will have the right, upon written notice thereof to each optionee holding options under the 2016 Stock Option Plan, to permit the exercise of all such options within the 20-day period next following the date of such notice and to determine that upon the expiry of such 20-day period, all rights of optionees to such options or to exercise same (to the extent not theretofore exercised) will terminate.

If the 2016 Stock Option Plan Resolution is approved, no further stock options will be granted under the 2011 Stock Option Plan. However, stock options previously granted under the 2011 Stock Option Plan will remain subject to the terms and conditions thereof.

The approval by shareholders requires a favourable vote of a majority of the shares voted in respect thereof at the Meeting. Unless instructed otherwise, the management designees of the Corporation in the accompanying form of proxy or VIF intend to vote FOR the 2016 Stock Option Plan Resolution.

2011 STOCK OPTION PLAN

The 2011 Stock Option Plan of the Corporation was established by the Board of Directors of the Corporation on September 28, 2011. On May 17, 2013, the Board of Directors amended the 2011 Stock Option Plan so as to increase the number of shares that may be issued thereunder from 300,000 to 400,000 on a post-consolidated basis. The following are the material terms and conditions of the 2011 Stock Option Plan:

- (i) the Board of Directors of the Corporation may grant options to directors, officers and employees of, and consultants to, the Corporation and its subsidiaries;
- (ii) a maximum of 400,000 common shares may be issued under the 2011 Stock Option Plan;
- (iii) the aggregate number of common shares reserved for issuance upon the exercise of options by any one person cannot exceed, during any twelve-month period, 5% of the number of issued and outstanding common shares of the Corporation at the date the option is granted;
- (iv) the aggregate number of common shares reserved for issuance upon the exercise of options by any one consultant cannot exceed, during any twelve-month period, 2% of the number of issued and outstanding common shares of the Corporation at the date the option is granted to the consultant;
- (v) the aggregate number of common shares reserved for issuance upon the exercise of options by any person employed to provide investor-relation activities cannot exceed, during any twelve-month period, 2% of the number of issued and outstanding common shares of the Corporation at the date the option is granted to such person;
- (vi) the exercise price of the options is determined by the Board of Directors at the time the options are granted, but cannot be less than the closing price of the Corporation's common shares on the trading day immediately preceding the day on which the option is granted;
- (vii) subject to the requirements of the TSX Venture Exchange, the Board has the discretion to set the terms of any vesting schedule for each option granted;

- (viii) the maximum period during which an option may be exercised is ten years from the date of grant, as determined by the Board of Directors, after which the option lapses;
- (ix) options are not assignable or transferable, except by will or the laws of succession;
- (x) if an optionee becomes, in the determination of the Board of Directors, permanently disabled while employed by the Corporation or while a director thereof or consultant thereto, any option may be exercised only for that number of shares which the optionee was entitled to acquire at the time of the occurrence of the permanent disability, at the latest on the date of expiry of the option or 90 days after such occurrence, whichever occurs first, after which the option lapses;
- (xi) if an optionee dies, any option held by the optionee may be exercised only for that number of shares which the optionee was entitled to acquire at the time of death, at the latest on the date of expiry of the option or one year after the date of death, whichever occurs first, after which the option lapses;
- (xii) upon an optionee's employment, office, directorship or consulting services with the Corporation terminating or ending otherwise than by reason of death, permanent disability or termination for cause, any option held by the optionee may be exercised only for that number of shares which the optionee was entitled to acquire at such time, at the latest on the date of expiry of the option or 90 days after such date (30 days if the optionee was engaged in investor-relation activities), whichever occurs first, after which the option lapses;
- (xiii) the option price is payable in full at the time an option is exercised; and
- (xiv) in the event that an offer to purchase the common shares of the Corporation or any part thereof is made to all shareholders, the Corporation has the right to permit the exercise of all outstanding options within a 20-day period and to determine that upon the expiry of such 20-day period, the options lapse.

As noted above, if the 2016 Stock Option Plan Resolution is approved at the Meeting, no further stock options will be granted under the 2011 Stock Option Plan. However, stock options previously granted under the 2011 Stock Option Plan will remain subject to the terms and conditions thereof.

CHANGE OF NAME OF THE CORPORATION

Shareholders will be asked to consider and, if thought appropriate, to approve a change of name of the Corporation to a name selected by the Board of Directors in its discretion, to reflect any future business endeavours of the Corporation. The Change of Name Special Resolution is annexed hereto as Schedule C.

The approval by shareholders requires a favourable vote of at least two-thirds of the shares voted in respect thereof at the Meeting. Unless instructed otherwise, the management designees of the Corporation in the accompanying form of proxy or VIF intend to vote FOR the Change of Name Special Resolution.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

To the best of the Corporation's knowledge, no informed person of the Corporation, and no associate or affiliate of any such person, at any time since January 1, 2015, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since January 1, 2015 that has materially affected the Corporation, or in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at this Meeting.

OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated May 30, 2016, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is March 1, 2017.

The foregoing is a summary only; shareholders should carefully review the provisions of the Canada Business Corporations Act relating to Proposals and consult with a legal advisor.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

1. Board of Directors

The Board of Directors considers that Grant Loon, James Nicoll and James M. Proudfoot are independent within the meaning of National Instrument 52-110 *Audit Committees*.

The Board of Directors considers that Johannes H. C. van Hoof is not independent within the meaning of National Instrument 52-110 *Audit Committees* in that he is the Chairman of the Board of Directors, President and Chief Executive Officer of the Corporation. The Board of Directors considers that Glenn A. Holmes is not independent within the meaning of National Instrument 52-110 *Audit Committees* in that he is the Chief Financial Officer of the Corporation.

Meetings of the Board of Directors are chaired by Johannes H. C. van Hoof. If necessary, the independent members of the Board of Directors can meet without the non-independent directors and other members of management present.

2. Directorships

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Johannes H. C. van Hoof	NSGold Corporation (TSX Venture Exchange) Globex Mining Enterprises Inc. (TSX)
Glenn A. Holmes	Oceanus Resources Corporation (TSX Venture Exchange) NSGold Corporation (TSX Venture Exchange)
Grant Loon	NSGold Corporation (TSX Venture Exchange)
James M. Proudfoot	Lovitt Resources Inc. (TSX Venture Exchange) NSGold Corporation (TSX Venture Exchange)

3. Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for new directors. The Board of Directors has not taken any measures to provide continuing education for the directors.

4. Ethical Business Conduct

In light of the Corporation's stage of development and its limited number of employees, the Board of Directors has not taken formal steps to encourage and promote a culture of ethical business conduct. The Corporation does take measures to ensure that the directors do not trade in the Corporation's shares at a time when disclosure of material information is pending.

Notwithstanding the absence of a formal code of conduct, the Board of Directors believes that the fiduciary duties placed on individual directors by the *Canada Business Corporations Act* and the common law, as well as the restrictions placed by the *Canada Business Corporations Act* on an individual director's participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

5. Nomination of Directors

The Board of Directors, as a whole, is responsible for identifying potential new directors and assessing the performance and contribution of directors.

6. Compensation

During the fiscal year ended December 31, 2015, the directors of the Corporation did not receive any cash compensation for serving in that capacity. The Board has not formally reviewed compensation of directors.

The process by which the Corporation currently determines the compensation of its executive officers and directors is described in the section entitled "Compensation of Executive Officers and Directors — Compensation Discussion and Analysis" above.

7. Other Board Committees

The Board of Directors does not have any standing committees other than the Audit Committee.

8. Assessments

The Board of Directors, as a whole, is responsible for assessing the effectiveness of the Board of Directors, its committees and individual directors and the competence and qualifications that each director is required to bring to the Board of Directors. Although no formal process has been put in place for such assessment, the Board conducts informal assessments on an as-needed basis. In this regard, the Board of Directors from time-to-time examines and comments on its effectiveness and that of its committees, and makes adjustments when warranted.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information about the Corporation is provided in the Corporation's comparative annual financial statements and Management's Discussion and Analysis for its most recently-completed financial year.

If you would like to obtain, at no cost to you, a copy of the Corporation's financial statements, Management's Discussion and Analysis or this Circular, please send your request to:

NSX Silver Inc.
PO Box 48053, Mill Cove PO
Bedford, Nova Scotia B4A 3Z2
Telephone: (902) 798-1148
Email: info@nsxsilver.com

AUTHORIZATION

The contents and the mailing of this Circular have been approved by the Board of Directors of the Corporation.

(signed) Johannes H. C. van Hoof
Chairman, President and Chief Executive Officer

DATED the 30th day of May, 2016

SCHEDULE A

SHAREHOLDERS' RESOLUTION – 2016 STOCK OPTION PLAN

BE AND IT IS HEREBY RESOLVED:

THAT the 2016 Stock Option Plan of the Corporation, as adopted by the Board of Directors of the Corporation on May 25, 2016, and as described in the Management Proxy Circular of the Corporation dated May 30, 2016, be and it is hereby approved.

SCHEDULE B

2016 STOCK OPTION PLAN

SECTION 1 - PURPOSE OF THE PLAN

- 1.1 The purpose of this 2016 Stock Option Plan (the “**Plan**”) is to provide directors, officers and employees of, and consultants (as defined below) to, NSX Silver Inc. and, if applicable, its subsidiaries (collectively, the “**Corporation**”) with a proprietary interest through the granting of options to purchase common shares (the “**Shares**”) of the Corporation, subject to certain conditions as hereinafter set forth, for the following purposes:
- (i) to increase the interest in the Corporation’s welfare of those directors, officers, employees and consultants who share primary responsibility for the management, growth and protection of the business of the Corporation;
 - (ii) to furnish an incentive to such directors, officers, employees and consultants to continue their services for the Corporation; and
 - (iii) to provide a means through which the Corporation may attract able persons to enter its employment.
- 1.2 For the purposes of the Plan, the terms “**consultant**”, “**consultant company**”, “**management company employee**” and “**investor relations activities**” shall have the respective meanings ascribed thereto in the policies of the TSX Venture Exchange.

SECTION 2 - ADMINISTRATION OF THE PLAN

- 2.1 The Plan shall be administered by the Board of Directors of the Corporation.
- 2.2 The Board of Directors of the Corporation may, from time-to-time, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to regulatory approval. The interpretation, construction and application of the Plan and any provisions thereof made by the Board of Directors of the Corporation shall be final and conclusive. No director shall be liable for any action taken or for any determination made in good faith in the administration, interpretation, construction or application of the Plan.

SECTION 3 - GRANTING OF OPTIONS

- 3.1 The Board of Directors of the Corporation may from time-to-time by resolution grant options to purchase Shares to directors, officers and/or employees of, and consultants to, the Corporation, provided that the total number of number of Shares in respect of which options are outstanding at any time under this Plan shall not exceed the number provided for in section 4 hereof.
- 3.2 Options may be granted by the Corporation only pursuant to resolutions of the Board of Directors.
- 3.3 Any option granted under this Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such option upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities commission, stock exchange or any governmental or regulatory authority or body, is necessary as a condition of, or in connection with, the grant or exercise of such option or the issuance or purchase of Shares hereunder, such option may not be accepted or exercised in whole or in

part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board of Directors.

- 3.4 In the event that options are granted to employees, consultants or management company employees, the Corporation shall represent that the optionee is a *bona fide* employee, consultant or management company employee, as the case may be, of the Corporation.

SECTION 4 - SHARES SUBJECT TO THE PLAN

- 4.1 The aggregate number of Shares in respect of which options may be outstanding at any time under this Plan, when combined with any Shares reserved for issuance or subject to stock options under all of the Corporation's other security-based compensation arrangements, shall not exceed ten percent (10%) of the number of issued and outstanding Shares at such time.
- 4.2 The aggregate number of Shares reserved for issuance to any one optionee, whether under this Plan or any other stock option plan, or as incentive stock options, shall not exceed, in any twelve (12) month period, five percent (5%) of the number of issued and outstanding Shares at the date the option is granted.
- 4.3 The aggregate number of Shares reserved for issuance to any one consultant, whether under this Plan or any other stock option plan, or as incentive stock options, shall not exceed, in any twelve (12) month period, two percent (2%) of the number of issued and outstanding Shares at the time the option is granted to the said consultant under this Plan.
- 4.4 The aggregate number of Shares reserved for issuance to all persons conducting investor relations activities, whether under this Plan or any other stock option plan, or as incentive stock options, shall not exceed, in any twelve (12) month period, two percent (2%) of the number of issued and outstanding Shares of the Corporation at the time of any grant of an option under this Plan to a person conducting investor relations activities.
- 4.5 The grant to insiders of the Corporation, as a group (as such term is defined under the TSX Ventures Exchange policies), within a twelve (12) month period, of an aggregate number of options must not exceed ten percent (10%) of the issued and outstanding Shares of the Corporation at the date an option is granted to any insider, unless the approval of the disinterested shareholders of the Corporation is obtained.
- 4.6 Shares in respect of which options are not exercised due to the expiration, termination or lapse of such options, shall be available for options to be granted thereafter pursuant to the provisions of the Plan.

SECTION 5 - OPTION PRICE

- 5.1 The option price per Share which is the subject of any option shall be fixed by the Board of Directors of the Corporation at the time of granting the option. The option price for the Shares shall not be less than the Market Price of the Shares, as defined in section 5.2 hereof, less the maximum discount permitted under the policies of the TSX Venture Exchange.
- 5.2 The term "**Market Price**" shall mean the closing price of the Shares on the TSX Venture Exchange on the business day immediately preceding the day on which the option is granted. In the event that the Shares did not trade on the TSX Venture Exchange on the said day, "**Market Price**" shall mean the weighted average trading price of the Shares on the TSX Venture Exchange for the last five (5) days on which the Shares traded on the TSX Venture Exchange immediately prior to the day on which the option is granted. In the event that the Shares are not listed or posted for trading on the TSX Venture Exchange, "**Market Price**" shall be the fair market value of the Shares as determined by the Board of Directors in its discretion.

5.3 In the event that the Corporation proposes to reduce the exercise price of an option held by an insider of the Corporation (as such term is defined under TSX Venture Exchange policies), such reduction shall be subject to the approval of the disinterested shareholders of the Corporation.

SECTION 6 - CONDITIONS GOVERNING OPTIONS

6.1 Each option shall be subject to the following conditions:

(i) Employment

The granting of an option to an officer or employee shall not impose upon the Corporation any obligation to retain the optionee in its employ.

(ii) Option Term

The maximum period during which an option is exercisable shall be ten (10) years from the date on which the option is granted, after which the option shall lapse. At the time of granting an option, the Board of Directors, at its discretion, may set a shorter period of time during which an option is exercisable. However, if an option is to expire during a period when the optionee is prohibited by the Corporation from trading in the Shares pursuant to the policies of the Corporation (a “**Blackout Period**”), or within ten (10) business days of the expiry of such Blackout Period, the term of such option shall be automatically extended for a period of ten (10) business days immediately following the end of the Blackout Period.

(iii) Period for Exercise of Options

At the time of granting an option, the Board of Directors, at its discretion, may set a “vesting schedule”, that is, one or more dates from which an option may be exercised in whole or in part. If the Board of Directors does not set such a schedule at the time of granting an option, the option may be exercised in whole or in part immediately in respect of all of the Shares under option. However, an option granted to a consultant performing investor relations activities must vest in stages over twelve (12) months with no more than one quarter (1/4) of the options vesting in any three-month period.

(iv) Non-assignability of Option Rights

Each option granted hereunder is personal to the optionee and shall not be assignable or transferable by the optionee, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased optionee. No option granted hereunder shall be pledged, charged, transferred, assigned or otherwise encumbered or disposed of by the optionee on pain of nullity.

(v) Other Terms

The Board may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with section 6 hereof.

(vi) Effect of Termination of Employment or Office or Death

If an optionee becomes, in the determination of the Board of Directors, permanently disabled while employed by the Corporation or while a director or management company employee thereof or a consultant thereto, any option or unexercised part thereof granted to such optionee may be exercised by the optionee only for that number of Shares which he was entitled to acquire under the option at the time of the occurrence of his permanent

disability. Such option shall be exercisable within ninety (90) days after the occurrence of the optionee's permanent disability or prior to the expiration of the term of the option, whichever occurs earlier, subject to the condition that if the optionee was engaged in investor relations activities for the Corporation, such option shall be exercisable within thirty (30) days after the occurrence of such permanent disability or prior to the expiration of the term of the option, whichever occurs earlier.

If an optionee dies while employed by the Corporation or while a director or management company employee thereof or a consultant thereto, any option or unexercised part thereof granted to such optionee may be exercised by the person to whom the option is transferred by will or the laws of succession only for that number of Shares which he was entitled to acquire under the option at the time of his death. Such option shall be exercisable within one (1) year after the optionee's death or prior to the expiration of the term of the option, whichever occurs earlier.

Upon an optionee's employment, office or directorship or consulting services with the Corporation terminating or ending for serious reason, no option or unexercised part thereof granted to such optionee may be exercised by him.

Upon an optionee's employment, office or directorship or consulting services with the Corporation terminating or ending otherwise than by reason of death, permanent disability or termination for serious reason, any option or unexercised part thereof granted to such optionee may be exercised by him only for that number of Shares which he was entitled to acquire under the option at such time, including pursuant to section 6.1(iii) above, to the extent applicable. Any such "vested" option shall be exercisable within ninety (90) days after such date, within a reasonable longer period as determined by the Board of Directors in its sole discretion, or prior to the expiration of the term of the option, whichever occurs earliest, after which the option is null and void.

(vii) Rights as a Shareholder

The optionee (or his personal representatives or legatees) shall have no rights whatsoever as a shareholder in respect of any Shares subject to his option until the date of issuance of a share certificate to him (or his personal representatives or legatees) for such Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

(viii) Method of Exercise

Subject to the provisions of this Plan, an option granted under this Plan shall be exercisable by the optionee (or his personal representatives or legatees) giving notice in writing to the Secretary of the Corporation at its head office, which notice shall specify the number of Shares in respect of which the option is being exercised and shall be accompanied by payment in full of the purchase price, by certified cheque, for the number of Shares specified. Upon such exercise of the option, and subject to section 6.4 below, the Corporation shall forthwith cause the Transfer Agent and Registrar of the Shares of the Corporation to deliver to the optionee (or his personal representatives or legatees) a certificate in the name of the optionee representing in the aggregate such number of Shares as the optionee (or his personal representatives or legatees) shall have then paid for and as are specified in such written notice of exercise of option.

6.2 Options may be evidenced by a share option agreement, instrument or certificate in such form not inconsistent with this Plan as the Board of Directors may from time to time determine, provided that the substance of section 6.1 be included therein. All options granted under this Plan and Shares issued upon the exercise thereof shall bear, to the extent applicable, a legend with respect to the four-month hold

period required by the TSX Venture Exchange, calculated from the date of the grant of the option. The foregoing legend shall be in addition to any which might be required under Canadian provincial securities law.

6.3 Any option granted hereunder shall not form part of an optionee's compensation from the Corporation for purposes of determining any severance payment, indemnity in lieu of reasonable notice, or other payment to the optionee in the event of termination of the optionee's employment or office by the Corporation.

6.4 If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee shall, concurrently with the exercise of the option:

pay to the Corporation, in addition to the exercise price of the option, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;

authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, such portion of the Shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or

(c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

SECTION 7 - ADJUSTMENT TO SHARES SUBJECT TO THE OPTION

7.1 In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an option to any optionee and prior to the expiration of the term of such option, the Corporation shall deliver to such optionee at the time of any subsequent exercise of his option in accordance with the terms hereof in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such optionee would have held as a result of such subdivision if on the record date thereof the optionee had been the registered holder of the number of Shares to which he was theretofore entitled upon such exercise.

7.2 In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of an option to any optionee and prior to the expiration of the term of such option, the Corporation shall deliver to such optionee at the time of any subsequent exercise of his option in accordance with the terms hereof in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such optionee would have held as a result of such consolidation if on the record date thereof the optionee had been the registered holder of the number of Shares to which he was theretofore entitled upon such exercise.

7.3 If at any time after the grant of an option to any optionee and prior to the expiration of the term of such option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in sections 7.1 and 7.2 or, subject to the provisions of section 8.2(i) hereof, the Corporation shall consolidate, merge or amalgamate with or into another company (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**"), the optionee shall be entitled to receive upon the subsequent exercise of his option in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Corporation or the Successor Corporation (as the case may be) and/or other consideration from the Corporation or the Successor Corporation (as the case may be) that the optionee would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of section 8.2(i) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or

the effective date of such consolidation, merger or amalgamation, as the case may be, he had been the registered holder of the number of Shares to which he was immediately theretofore entitled upon such exercise.

SECTION 8 - AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 8.1 Subject to obtaining the necessary regulatory approvals, the Board of Directors may amend or discontinue this Plan at any time, provided, however, that no such amendment may adversely affect any option rights previously granted to an optionee under this Plan without the consent of the optionee, except to the extent required by law.
- 8.2 Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board of Directors in the implementation thereof:
- (i) in the event the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation (other than the offeror or offerors), the Corporation shall have the right, upon written notice thereof to each optionee holding options under this Plan, to permit the exercise of all such options within the 20-day period next following the date of such notice and to determine that upon the expiry of such 20-day period, all rights of optionees to such options or to exercise same (to the extent not theretofore exercised) shall terminate and cease to have further force or effect whatsoever;
 - (ii) the Board of Directors may by resolution, but subject to applicable regulatory requirements and the rules of any stock exchange on which the Shares are then listed, advance the date on which any option may be exercised in a manner to be set forth in such resolution. The Board of Directors shall not, in the event of any such advancement, be under any obligation to advance the date on or by which any option may be exercised by any other optionee; and
 - (iii) the Board of Directors may by resolution, but subject to applicable regulatory requirements and the rules of any stock exchange on which the Shares are then listed, decide that any of the provisions hereof concerning the termination of an option shall not apply for any reason acceptable to the Board of Directors.

SECTION 9 - EFFECTIVE DATE OF PLAN

- 9.1 This Plan was adopted by the Board of Directors of NSX Silver Inc. on the 25th day of May, 2016.

SCHEDULE C

SPECIAL RESOLUTION - CHANGE OF CORPORATE NAME

BE AND IT IS HEREBY RESOLVED:

THAT the Articles of the Corporation be amended so that the name of the Corporation is changed to a name selected by the Board of Directors in its discretion, to reflect any future business endeavours of the Corporation;

THAT the officers and directors of the Corporation are hereby authorized to file Articles of Amendment with Industry Canada if and when deemed advisable by the Board of Directors of the Corporation in its discretion and to do all other things necessary in order to give effect to the foregoing; and

THAT the Board of Directors of the Corporation be and it is hereby authorized to revoke the present special resolution before it is acted on, without further approval of the shareholders.

SCHEDULE D

CHARTER OF THE AUDIT COMMITTEE

The following Charter of the Audit Committee was adopted by the Corporation's Board of Directors and Audit Committee on October 20, 2011:

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Corporation's board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the board of directors.

Composition

The Committee shall be comprised of a minimum of three directors as determined by the board of directors. If the Corporation ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Corporation ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full board of directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

- (a) review and update this Audit Committee Charter annually; and

- (b) review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

- (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Corporation's board of directors and the Committee as representatives of the shareholders of the Corporation;
- (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take, or recommend that the Corporation's full board of directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Corporation's board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Corporation's board of directors the compensation to be paid to the external auditors;
- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review the certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**SCHEDULE E
REPORTING PACKAGE**

**NSX SILVER INC.
(the "Company")
CHANGE OF AUDITOR NOTICE
Pursuant to National Instrument 51-102, Section 4.11**

NOTICE IS HEREBY GIVEN THAT PricewaterhouseCoopers LLP ("**PWC**") has at the request of the Company agreed to resign as auditor of the Company, and that, on May 18, 2016, the board of directors of the Company proposed to appoint KPMG LLP ("**KPMG**") as the successor auditor of the Company.

In accordance with National Instrument 51-102 ("**NI 51-102**"), the undersigned confirms that:

1. PWC agreed to resign as auditor of the Company;
2. the resignation of PWC and the appointment of KPMG as auditor of the Company were considered and approved by the audit committee of the Company and by the board of directors of the Company;
3. PWC has not expressed any reservation in its auditor's reports for the two (2) most recently completed financial years of the Company; and
4. there have been no "reportable events" as defined in NI 51-102.

DATED as of the 18th day of May, 2016.

NSX SILVER INC.

(Signed) Johannes H.C. van Hoof

Johannes H.C. van Hoof
Chief Executive Officer



May 19, 2016

To:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Government of Prince Edward Island

We have read the statements made by NSX Silver Inc. in the attached copy of change of auditor notice dated May 18, 2016, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated May 18, 2016.

Yours very truly,

(signed) "*PricewaterhouseCoopers LLP*"

Chartered Accountants

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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Halifax NS B3J 3N2

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Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Nova Scotia Securities Commission
Ontario Securities Commission
Division, Prince Edward Island
Autorité des marchés financiers
Financial and Consumer Affairs Authority of Saskatchewan

May 19, 2016

Dear Sir/Madam

Re: Notice of Change of Auditors of NSX Silver Inc.

We have read the Notice of NSX Silver Inc. dated May 18, 2016 and are in agreement with the statements contained in such Notice.

Yours very truly,

Chartered Accountants