



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

Meeting Date: Wednesday, June 28, 2017 at 10:00 a.m. AST

**Website: [www.nsxsilver.com](http://www.nsxsilver.com)  
Email: [info@nsxsilver.com](mailto:info@nsxsilver.com)**

NSX SILVER INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
June 28, 2017

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

Place: NSX Silver Inc.  
Suite 802, Sun Tower  
1550 Bedford Highway  
Halifax Regional Municipality  
Nova Scotia

Date: Wednesday, June 28, 2017

Time: 10:00 a.m. AST

The purposes of the Meeting are to:

1. Receive and consider the financial statements of the Corporation for the fiscal year ended December 31, 2016 and the auditors’ report thereon;
2. Elect directors;
3. Appoint auditors and authorize the directors to fix their remuneration;
4. To ratify, confirm and re-approve the Corporation's incentive stock option plan;
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 24, 2017 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, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1. A shareholder may also vote using the internet at [www.investorvote.com](http://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 26, 2017 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

DATED the 30<sup>th</sup> day of May, 2017  
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, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1. A shareholder may also vote using the internet at [www.investorvote.com](http://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 26, 2017 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 26, 2017 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> 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, 2017, there were 9,592,949 issued and outstanding common shares of the Corporation. Each common share entitles the holder thereof to one vote. The Corporation has fixed May 24, 2017 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., 1500 Robert-Bourassa Blvd, 7<sup>th</sup> Floor, Montreal, Quebec, being the place where the Corporation’s central securities register is maintained.

## PRINCIPAL HOLDERS

As at May 30, 2017, to the best knowledge of the Corporation, the following person 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	1,245,666	12.99%

## 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, 2016</u>
James D. Nicoll <sup>(1)</sup> ..... Halifax, Nova Scotia, Canada Chairman of the Board of Directors	President Debenti Merchant Financial Services (financial consulting firm)	2016	1,245,666
Johannes H. C. van Hoof <sup>(2)</sup> ..... Buenos Aires, Argentina President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	2011	733,066 <sup>(3)</sup>
Glenn A. Holmes..... Hammonds Plains, Nova Scotia, Canada Chief Financial Officer and Director	Chief Financial Officer Oceanus Resources Corporation (mining exploration company)	2011	715,933
Grant Loon <sup>(2)</sup> ..... Stockholm, Sweden Director	Managing Director VHC Sweden (investment management company)	2011	30,260
James M. Proudfoot <sup>(2)</sup> ..... Woodstock, Ontario, Canada Director	President James M. Proudfoot Limited (consulting mining engineering firm)	2011	3,850

(1) Mr. Nicoll was appointed Executive Chairman of the Board of Directors on April 24, 2017.

(2) Member of the Audit Committee.

(3) 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.

To the knowledge of the Corporation, except as noted below, 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.

The British Columbia Securities Commission, as principal regulator for NSX Silver Inc., issued a Management Cease Trade Order (“MCTO”) against NSX Silver Inc. on May 2, 2016 in response to an application submitted by NSX Silver Inc. Mr. van Hoof is the Chief Executive Officer of NSX Silver Inc. and Mr. Holmes is the Chief Financial Officer of NSX Silver Inc. The MCTO was issued because of the late filing of the audited annual financial statements and MD&A of NSX Silver Inc. for the year ended December 31, 2015. The MCTO was revoked by the British Columbia Securities Commission on July 19, 2016.

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, 2016, 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, 2016.

#### *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, 2016, 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, 2016 and 2015, 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, 2016, 2015 and 2014 regarding compensation paid to or earned by the Named Executive Officers.

### Summary Compensation Table

Name and principal occupation	Year	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension value <sup>(5)</sup> (\$)	All other compensation <sup>(6)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(4)</sup>	Long-term incentive plans			
Johannes H. C. van Hoof President and Chief Executive Officer	2016	1	—	—	—	—	—	—	1
	2015	1	—	—	—	—	—	—	1
	2014	1	—	—	—	—	—	—	1
Glenn A. Holmes Chief Financial Officer	2016	—	—	—	—	—	—	7,000	7,000
	2015	—	—	—	—	—	—	—	—
	2014	—	—	—	—	—	—	21,000	21,000

(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) The Corporation did not grant any stock options to the Named Executive Officers during the three fiscal years.

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

(5) This column discloses the consulting fees that were paid and accrued to Mr. 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, 2016, the end of the Corporation's most recently-completed financial year.

Name	Option-Based Awards			Share-Based Awards <sup>(3)</sup>		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	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 <sup>(2)</sup>	—	—	—	—	n/a	n/a

(1) This column sets out the aggregate value of in-the-money unexercised stock options as at December 31, 2016, calculated based on the difference between the market price of the common shares underlying the stock options as at December 31, 2016 (\$0.09), 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, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

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

(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, 2016, 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, 2016.

Name	Fees earned (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)	Pension value <sup>(4)</sup> (\$)	All other compensation <sup>(5)</sup> (\$)	Total (\$)
Grant Loon Director	—	—	—	—	—	—	—
James Nicoll Director	—	—	—	—	—	56,000	56,000
James M. Proudfoot Director	—	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	<b>56,000</b>	<b>56,000</b>

(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, 2016.

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

(4) The Corporation does have a retirement plan.

(5) Mr. Nicoll through his company, Debenti Merchant Financial Services, provides consulting services to the Corporation at the rate of \$8,000 per month.

### 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, 2016 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 <sup>(1)</sup>	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(2)</sup> (\$)	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 <sup>(3)</sup> Director	—	—	n/a	—	—	—
James Nicoll Director	—	—	n/a	—	—	—
James M. Proudfoot <sup>(3)</sup> 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, 2016, calculated based on the difference between the market price of the common shares underlying the stock options as at December 31, 2016 (\$0.09) 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, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	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, 2016, 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 <sup>(1)</sup> (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 <sup>(2)</sup>	N/A	959,294 <sup>(3)</sup>

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 2016 Stock Option Plan, adopted by the Board of Directors on June 29, 2016.

3. This number equals 10% of the total issued and outstanding Common Shares on December 31, 2016 (9,592,949) less the number of Common Shares reported under Column (a) above.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is, or who was at any time during the fiscal year ended December 31, 2016, 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, 2016, 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, 2016 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 C.

### *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 30 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 C.

### ***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. KPMG LLP, Chartered Accountants, the Corporation’s external auditors, billed the Corporation \$10,500 in audit fees during each of the fiscal years ended December 31, 2016 and December 31, 2015.

#### ***(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. KPMG LLP, Chartered Accountants, the Corporation’s external auditors, bill the Corporation for audit-related fees during the fiscal years ended December 31, 2016 and December 31, 2015.

#### ***(c) Tax Fees***

“Tax fees” consist of fees for professional services for tax compliance, tax advice and tax planning. KPMG LLP, Chartered Accountants, the Corporation’s external auditors, did not bill the Corporation for tax fees during the fiscal years ended December 31, 2016 and December 31, 2015.

#### ***(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. KPMG LLP, Chartered Accountants, the Corporation’s external auditors, billed the Corporation \$10,000 for other services during the fiscal year ended December 31, 2016 and nil during the fiscal year ended December 31, 2015.

## **APPOINTMENT OF AUDITORS**

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. PricewaterhouseCoopers LLP, Chartered Accountants, have served as the auditors of the Corporation since May 2016.

## **ANNUAL APPROVAL OF INCENTIVE STOCK OPTION PLAN**

### ***Introduction***

The Board of Directors and shareholders of the Corporation approved a 10% “rolling” stock option plan on June 29, 2016. The Plan is a 10% rolling plan pursuant to Policy 4.4 ("**Policy 4.4**") of the TSX Venture Exchange ("**TSX-V**"), subject to annual shareholder approval. The Corporation is seeking re-approval of the Plan by the Shareholders in accordance with the rules and policies of the TSX-V.

The purpose of the Plan is to attract and retain employees, officers and directors and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through options granted under the Plan to purchase Common Shares. The Plan is expected to benefit the Shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Common Shares to which they have contributed. The Plan has been drafted to comply with the policies of the TSX-V.

The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself, which is attached to the Corporation's management information circular dated May 30, 2016, available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile and is incorporated herein by reference. Upon request, the Corporation will promptly provide a copy of the Plan free of charge to any Shareholder. To request a copy of the Plan, Shareholders should contact the Corporation at PO Box 48053, Mill Cove PO, Bedford, Nova Scotia B4A 3Z2.

### *The Plan*

The Plan is administered by the Board of Directors of the Corporation.

Eligible persons entitled to be issued stock options under the Plan are any director, officer, employee, consultant or any other person or entity engaged to provide ongoing services to the Corporation.

The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares of the Corporation from time to time. The number of Common Shares subject to an option to a participant shall be determined by the Board of Directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by the TSX-V or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

The total number of Common Shares to be optioned under the Plan shall be subject to the following restrictions:

- a) 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;
- b) 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;
- c) 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; and
- d) 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;

The exercise price of the Common Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the price permitted by the TSX-V or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

The maximum term of an option is ten (10) years, provided that participant's options expire ninety (90) days after his ceasing to act for the Corporation, except upon the death of a participant, in which case his estate shall have twelve (12) months in which to exercise the outstanding options.

No options are transferable or assignable.

Subject to the approval of the TSX-V, the Board of Directors has the discretion to amend or terminate the Plan; provided however, no amendment shall alter the terms of any outstanding options without the consent of the optionees concerned.

### *Existing Stock Options*

As at May 30, 2017, the Corporation had not granted any stock options under the Plan.

### *Approval of the Plan*

In accordance with Policy 4.4, Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution to ratify, confirm and approve the Plan as the Corporation's stock option plan (the "**Incentive Stock Option Plan**").

**Resolution**"). A copy of the proposed form of the Incentive Stock Option Plan Resolution is set forth as Schedule "A" to this Circular.

The Shareholders will be asked to approve the Plan annually in accordance with the rules and policies of the TSX-V.

The directors of the Corporation believe the Plan is in the Corporation's best interest and recommend that the Shareholders approve the Plan.

### **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 B.

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 CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

None of the directors or executive officers of the Corporation, none of the persons who have been directors or executive officers of the Corporation at any time since January 1, 2016, none of the proposed nominees for election as a director of the Corporation and none of the associates or affiliates of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter scheduled to be acted upon at the Meeting other than the election of directors.

### **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, 2016, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since January 1, 2016 that has materially affected the Corporation, or in any proposed transaction that could materially affect the Corporation, except for the subscription of an aggregate of 1,021,665 units at a price of \$0.06 per unit in a private placement of the Corporation, that closed on August 16, 2016, by three of the directors and officers of the Corporation. Each of the units subscribed was comprised of one common share of the Corporation and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Corporation at a price of \$0.12 per share for a period of 12 months from the closing date.

### **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:

<b>Name of Director</b>	<b>Issuer</b>
Johannes H. C. van Hoof	Globex Mining Enterprises Inc. (TSX) NSGold Corporation (TSX-V)
Glenn A. Holmes	Oceanus Resources Corporation (TSX-V) NSGold Corporation (TSX-V)
Grant Loon	NSGold Corporation (TSX-V)
James M. Proudfoot	Lovitt Resources Inc. (TSX-V) NSGold Corporation (TSX-V)

### **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, 2016, 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](http://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](mailto: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 30<sup>th</sup> day of May, 2017

## SCHEDULE A

### SHAREHOLDERS' RESOLUTION WITH RESPECT TO INCENTIVE STOCK OPTION PLAN

Capitalized terms have the meanings ascribed thereto in the Management Information Circular of NSX SILVER INC. ("**Corporation**") dated May 30, 2017.

#### BE IT RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION THAT:

1. the incentive stock option plan of the Corporation (the "**Plan**"), in the form attached to the Corporation's management information circular dated May 30, 2016, be and the same is hereby re-approved subject to applicable regulatory approval;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation;
3. all options outstanding under the Plan or any previous form of stock option plan shall remain valid and outstanding and be governed by the terms of the applicable previous form of stock option plan as it existed when they were granted;
4. any director or officer is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the adoption of the Plan and the Board of Directors of the Corporation from time to time, be authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the provisions of the Plan so adopted; and
5. notwithstanding the approval of the shareholders of the Corporation as herein provided, the Board of Directors of the Corporation may, in its sole discretion, at any time suspend or terminate the Plan or revoke this resolution before it is acted upon, without further approval of the Shareholders of the Corporation.

**SCHEDULE B**

**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 C

### 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.