

## ABACUS MINING & EXPLORATION CORPORATION

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of Shareholders (the “**Meeting**”) of **ABACUS MINING & EXPLORATION CORPORATION** (the “**Company**”) will be held at Room 2808 – 2800 Park Place, 666 Burrard Street, Vancouver, BC on Thursday, October 19, 2017, at the hour of 10:00 a.m. (Pacific Time), for the following purposes:

1. to receive and consider the Financial Statements of the Company for the financial year ended December 31, 2016, together with the report of the auditors thereon;
2. to set the number of directors of the Company at five;
3. to elect directors of the Company for the ensuing year;
4. to appoint auditors of the Company for the ensuing year and authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to approve and adopt an ordinary resolution amending the May 28, 2009 Stock Option Plan, such ordinary resolution in the form as set out in the accompanying Management Information Circular; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting are the Circular, the form of Proxy or Voting Instruction Form, and the Financial Statement Request Form.

**Shareholders who are unable to attend the Meeting in person are requested to read the information on the reverse of the enclosed form of Proxy or Voting Instruction Form and then to complete, date, sign and deposit the form of Proxy or Voting Instruction Form, as applicable, in accordance with the instructions set out in the form of Proxy or Voting Instruction Form and in the Circular.**

BY ORDER OF THE BOARD

(signed) “*Michael D. McInnis*”  
President, CEO, Chairman

Vancouver, BC  
September 15, 2017

## ABACUS MINING & EXPLORATION CORPORATION

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### MANAGEMENT INFORMATION CIRCULAR

containing information as at September 15, 2017 unless otherwise noted

### SOLICITATION OF PROXIES

#### Solicitation of Proxies by Management

This Management Information Circular (“Circular”) is being furnished in connection with the solicitation of proxies by the management of Abacus Mining & Exploration Corporation (the “Company” or “Abacus”) for use at the Annual General and Special Meeting of the shareholders of the Company to be held on October 19, 2017 (the “Meeting”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting and any adjournment thereof.

#### Cost and Manner of Solicitation

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, facsimile or electronically by the directors and regular employees of the Company or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made to forward solicitation materials to the beneficial owners of common shares of the Company (“Common shares”). All costs of solicitation will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of Proxy

A shareholder entitled to vote at the Meeting may, by means of a properly executed and deposited proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders of the Company, to attend and act at the Meeting for the shareholder and on the shareholder’s behalf.

The individuals named in the enclosed form of proxy are the President and the Chief Financial Officer of the Company (the “Management Designees”). **A SHAREHOLDER HAS THE RIGHT TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING AND MAY DO SO BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.** A proxy will not be valid unless the completed, dated and signed form of proxy is deposited with Computershare Trust Company of Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies may be deposited with Computershare Trust Company of Canada using one of the following methods:

<b>BY MAIL:</b>	<b>Computershare Trust Company of Canada Proxy Department 100 University Avenue, 9<sup>th</sup> Floor Toronto, Ontario, M5J 2Y1</b>
<b>YOU ARE ALTERNATIVELY ABLE TO VOTE BY TELEPHONE OR THE INTERNET. YOU WILL NEED TO PROVIDE YOUR CONTROL NUMBER, HOLDER ACCOUNT NUMBER AND ACCESS NUMBER (located on Proxy form accompanying this Circular)</b>	
<b>BY TELEPHONE:</b>	<b>1-866-732-8683 (Toll Free North America) +312-588-4290 (International Direct Dial)</b>
<b>BY INTERNET:</b>	<b><a href="http://www.investorvote.com">www.investorvote.com</a></b>

### **Revocation of Proxy**

A shareholder who has given a proxy may revoke it by an instrument in writing duly executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company, 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In addition, a proxy may be revoked by a shareholder properly completing, executing and depositing another form of proxy bearing a later date at the offices of Computershare Trust Company of Canada within the time period and in the manner set out under the heading "Appointment of Proxy" above or by the shareholder personally attending the Meeting, withdrawing his or her prior proxy and voting the shares.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

Unless a poll is called for or required by law, voting at the Meeting will be by a show of hands. Common shares represented by a properly completed, executed and deposited proxy are only entitled to be voted on any poll and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will, on a poll, be voted or withheld from voting in accordance with the specification so made.

**IF A CHOICE WITH RESPECT TO ANY MATTER IS NOT CLEARLY SPECIFIED IN THE PROXY, THE MANAGEMENT DESIGNEES WILL VOTE THE SHARES REPRESENTED BY THE PROXY "FOR" SUCH MATTER.**

**The enclosed form of proxy when properly completed, executed and deposited and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting.** In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Designees to vote in accordance with their best judgment on such matters or business. At the date of this Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **Advice to Beneficial Holders of Common Shares**

Only registered holders of Common shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the

Non-Registered Holder deals with in respect of the Common shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

*Distribution to Non-Objecting Beneficial Owners (“NOBOs”)*

In accordance with the requirements of the Canadian Securities Administrators and NI 54-101, the Company will have caused its agent to distribute copies of the Notice of Meeting and this Circular (collectively, the “**meeting materials**”) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner.

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.*

*By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for Voting Instruction Form enclosed with mailings to NOBOs.*

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

*Distribution to Objecting Beneficial Owners (“OBOs”)*

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner.

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada in the manner set out above in this Circular, with respect to the Common shares beneficially owned by such OBO; **OR**
- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the Common shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Voting Securities

The Company's authorized share structure consists of an unlimited number of Common shares without par value. As at **September 15, 2017**, the Company has issued and outstanding **39,159,608** fully paid and non-assessable Common shares, each Common share carrying the right to one vote. **The Company has no other classes of voting securities.**

### Record Date

Any shareholder of record at the close of business on September 13, 2017 (the "**Record Date**") who either personally attends the Meeting or who has submitted a properly executed and deposited form of proxy in the manner and subject to the provisions described above and which has not been revoked shall be entitled to vote or to have his or her shares voted at the Meeting.

### Principal Holders

To the knowledge of the directors or executive officers of the Company, as at September 15, 2017, the only person or company who beneficially owns, or controls or directs, directly or indirectly over Common shares carrying more than 10% of the voting rights attached to all outstanding Common shares is:

<u>Name</u>	<u>No. of Common Shares</u>	<u>Percentage</u>
Teck Resources Limited	6,541,862 <sup>(1)</sup>	16.7%

<sup>(1)</sup> After taking into effect the consolidation of the common shares in the capital of the Company, as to one post-consolidation share for every six pre-consolidation shares, which post-consolidated shares commenced trading on the TSX-V on May 1, 2017.

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

Other than as disclosed below or elsewhere in this Circular, none of the persons who have been directors or executive officers of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## STATEMENT OF EXECUTIVE COMPENSATION

### General Provisions

For the purposes of this Circular:

**"Board"** or **"Board of Directors"** means the board of directors of the Company;

**"CEO"** or **"Chief Executive Officer"** of the Company means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

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

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of International Financial Reporting Standards 2 *Share-based Payment*;

“**executive officer**” of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Company or any of its subsidiaries who performs a policy making function in respect of the Company, or any other individual who performs a policy making function in respect of the Company;

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

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

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company’s three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation* for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

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

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

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

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

## **Compensation Discussion and Analysis**

### *Objectives of Compensation Strategy*

The objectives of the Company’s compensation strategy are:

- to continue to attract, retain and motivate executives with the requisite skills, experience and commitment necessary to achieve the Company’s goals and objectives for the aggressive development of the Company’s Ajax property, which is situated near the city of Kamloops, British Columbia (“**Ajax project**”);

- to continue to strengthen the Company's senior management team and structure an independent Board to oversee the affairs of the Company by providing fair, competitive and cost-effective compensation to the Company's executives;
- to maintain the alignment of the interests of management with those of the shareholders; and
- to provide rewards for outstanding corporate and individual performance.

The Company has established a Compensation Committee which has been given the authority to assess the performance of the Company's senior executives and determine their compensation. The Compensation Committee also reviews, reports and provides recommendations to the Board of Directors.

The Board of Directors has granted the Compensation Committee the authority to:

- develop or approve the corporate goals and objectives relevant to the compensation of the CEO;
- evaluate the CEO's performance and determine or make recommendations to the Board of Directors of the Company with respect to the CEO's compensation level based on the evaluation; and
- make recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans.

The Compensation Committee consists of two directors, namely Kerry Spong and John McConnell (Chair). Kerry Spong and John McConnell are independent directors. The Board believes that the members of the Compensation Committee collectively have the knowledge, experience and background required to fulfill their mandate. A summary of their relevant skills and experience is as follows:

Mr. Spong is an accountant with over 20 years of experience in public and private practice. He has conducted audit work for a wide range of mining and mineral exploration companies. He has been a director of a number of junior mining companies and currently serves as CFO of Gitennes Exploration Inc., Canasil Resources Inc. and Blackheath Resources Inc.

Mr. McConnell is a professional mining engineer with over 40 years of experience in exploration, development and operations. He served as Vice President of NWT Projects at De Beers Canada Ltd. from 2001 to 2006 and directed development and construction of the Snap Lake Diamond Project. He was President and CEO of Western Keltic Mines Inc. until its takeover by Sherwood Copper Corp. in 2008. He is currently Director, President & CEO of Victoria Gold Corp.

The participation of the members of the Compensation Committee in other reporting issuers as directors is described in Schedule "A".

The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. All members of the Compensation Committee have had significant experience in the mining sector, including the junior exploration sector and on other Boards of Directors.

#### *What the Compensation Strategy is Designed to Reward*

The Compensation Committee endeavors to ensure that the Company's compensation strategy effectively compensates, motivates and rewards senior management of the Company on the basis of individual and corporate performance, both short term and long term, while keeping in mind the duty that the Company owes to its shareholders.

*Each Element of Compensation*

Compensation includes base salary, grants of stock options and bonuses based on available funds. The amount of bonus paid, if any, is based on individual performance and achievement of corporate responsibilities, accountabilities and overall contribution to the Company.

*How the Company Determines the Amount for each Element*

The Compensation Committee is responsible for making recommendations to the Board for compensation levels.

When determining compensation policies and individual compensation levels for the Named Executive Officers, the Compensation Committee takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Company, the Compensation Committee and the Board's overall assessment of each executive's individual performance and his contribution towards meeting corporate objectives, levels of responsibility, length of service and industry comparables.

*How Each Element Fits the Company's Compensation Objectives*

The salary for each Named Executive Officer is primarily determined having regard to his position, responsibilities, the assessment of such individual's performance and overall corporate performance as presented by management to the Board and the Compensation Committee. The base salaries of executive officers are reviewed annually and adjusted when considered appropriate.

The Compensation Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, capital raising efforts or achieving satisfaction of predetermined and agreed upon performance criteria. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

The Compensation Committee may from time to time recommend the grant of stock options to the Company's executive officers under the Company's stock option plan ("**Stock Option Plan**"). All grants of options are reviewed and approved by the Board. Grants of stock options are intended to enforce and encourage the executive officer's commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. The Compensation Committee reviews option balances and recommends grants to newly hired executive officers at the time of their employment, and considers further grants to executive officers from time to time thereafter to such executive officers. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The number of Common shares which may be subject to option in favour of any one individual is limited under the terms of the Stock Option Plan.

The Compensation Committee has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability.

The Company does not have a formal policy prohibiting an NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation and held, directly or indirectly, by the NEO or director. However, there is an understanding that the Company's NEOs and directors will not purchase such financial instruments, and no NEO or director has purchased any such financial instruments as at the date of this Circular.



### Employment and Services Contracts

Effective January 13, 2011, the Company entered into an employment contract with Ian M. MacNeily, the former CFO and Executive Vice President of the Company until March 31, 2014; effective August 7, 2014, the Company entered into an agreement with Venturex Consulting and Jeannine P.M. Webb (principal of Venturex Consulting), the CFO of the Company, which agreement was amended on February 16, 2015 to include the services of Secretary; effective July 20, 2010, the Company entered into an employment contract with James D. Excell, the President and CEO of the Company until January 31, 2014; and, effective February 1, 2014, the Company entered into a consulting agreement, which agreement was replaced by an employment agreement on November 1, 2015, with Michael D. McInnis, the Chairman, President and CEO of the Company (collectively, the “**Named Executives**”).

By way of an agreement dated effective July 20, 2010 between the Company and James D. Excell, Mr. Excell was appointed President and CEO of the Company at an annual salary of \$300,000. Mr. Excell was expected to contribute 100% of his working time to his duties as President and CEO of the Company. Effective October 1, 2013, Mr. Excell’s salary was voluntarily reduced by 50% to preserve the cash resources of the Company. Mr. Excell resigned as a director, President and CEO of the Company effective February 1, 2014.

By way of an agreement dated effective January 13, 2011 between the Company and Ian M. MacNeily, Mr. MacNeily’s position as Executive Vice President and CFO of the Company was affirmed at an annual salary of \$236,000. Mr. MacNeily was expected to contribute approximately 100% of his working time to his duties as CFO of the Company. Effective October 1, 2013, Mr. MacNeily’s salary was voluntarily reduced by 50% to preserve the cash resources of the Company. Mr. MacNeily resigned as Executive Vice President and CFO of the Company effective March 31, 2014 and remained as an independent consultant to the Company until August 7, 2014.

By way of an agreement dated effective August 7, 2015 between the Company, Venturex Consulting and Jeannine P.M. Webb, Ms. Webb’s position as CFO of the Company was affirmed. The agreement was amended effective February 16, 2015 to add the position of Secretary. Ms. Webb is compensated on an hourly rate, and expected to contribute a sufficient number of hours to fulfill her duties as CFO and Secretary of the Company. Pursuant to the agreement, as amended, between the Company and Ms. Webb, either party can terminate the agreement on 90 days’ notice.

By way of a consulting agreement dated effective February 1, 2014 between the Company and Michael D. McInnis, Mr. McInnis’ positions as CEO, President and Chairman of the Company was affirmed at a monthly rate of \$5,000 until January 31, 2015, which agreement was renewed until January 31, 2016. Effective November 1, 2015, the consulting agreement was terminated and the Company and Mr. McInnis entered into an employment agreement for provision of his services as President and CEO of the Company, which agreement includes change of control provisions and termination on 90 days’ notice.

Each agreement outlines the Named Executive’s position and responsibility and sets out the term of employment and matters such as compensation and, where appropriate, vacation. Remuneration for these individuals is subject to annual review. At the discretion of the Board of Directors of the Company, Named Executives may receive a cash bonus reflecting favourable performance of the Company and the Named Executive. The Named Executives may also receive incentive options to purchase Common shares, at the discretion of the Board of Directors of the Company and subject to the Stock Option Plan.

The agreements with the Named Executives include provisions that restrict the use of confidential information of the Company by the Named Executives and provide for the return of Company property and documents upon termination of employment.

### **Share-based and option-based awards**

The Company uses the same process to grant option-based awards to executive officers and NEOs. This process is described under “Compensation Discussion and Analysis - How Each Element Fits the Company’s Compensation Objectives”. The Company does not grant share-based awards.

## **Compensation Governance**

The Company's Compensation Committee assesses performance and determines the remuneration of senior officers. The Compensation Committee also administers the Stock Option Plan. The Compensation Committee may recommend to the Board the granting of stock options to directors of the Company as well as determine directors' fees, if any, from time to time. Directors may also be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

The role of the Compensation Committee is primarily to administer the Stock Option Plan and to determine the remuneration of senior officers of the Company.

Information regarding the Compensation Committee and its members is provided under "Compensation Discussion and Analysis - Objectives of Compensation Strategy".

Information regarding the compensation consultant or advisor of the Company is provided under "Compensation Discussion and Analysis - How the Company Determine the Amount for each Element".

No compensation consultant or advisor has, at any time since the Company's most recently completed financial year, been retained to assist the Board of Directors or the Compensation Committee in determining compensation for any of the Company's directors or executive officers.

## **Summary Compensation**

The Company has a Stock Option Plan in place for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and maintaining and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan to purchase Common shares of the Company. Other than the Stock Option Plan, the Company does not have any share-based awards or pension plans in place.

The following table sets forth all compensation paid by the Company or a subsidiary of the Company during the Company's three most recently completed fiscal years in respect of the individuals who were, during the fiscal year ended December 31, 2016, Named Executive Officers of the Company. None of the Named Executive Officers received any "share-based awards" or any non-equity long term incentive plan pay grants in 2016.

Summary Compensation Table

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation <sup>(8)</sup>	Total Compensation
					Annual incentive plans	Long-term incentive plans			
					(\$)	(\$)			
<b>MICHAEL D. MCINNIS</b> Chairman, President, CEO	2016	135,000	N/A	-	N/A	N/A	N/A	-	135,000
	2015	22,500	N/A	102,633.82 <sup>(2)</sup>	N/A	N/A	N/A	66,875	192,009
	2014	-	N/A	-	N/A	N/A	N/A	77,500 <sup>(7)</sup>	77,500
<b>JAMES D. EXCELL</b> Former President, CEO <sup>(1)</sup>	2016	-	N/A	-	N/A	N/A	N/A	-	-
	2015	-	N/A	-	N/A	N/A	N/A	100,830	100,830
	2014	41,670	N/A	-	N/A	N/A	N/A	-	41,670
<b>JEANNINE P. M. WEBB</b> CFO and Secretary <sup>(5)</sup>	2016	-	N/A	-	N/A	N/A	N/A	52,312	52,312
	2015	-	N/A	20,126 <sup>(2)</sup>	N/A	N/A	N/A	40,313	60,439
	2014	-	N/A	-	N/A	N/A	N/A	16,000	16,000
<b>IAN M. MACNEILY</b> Former Executive Vice President, CFO and Secretary <sup>(6)</sup>	2016	-	N/A	-	N/A	N/A	N/A	-	-
	2015	-	N/A	-	N/A	N/A	N/A	-	-
	2014	36,000	N/A	-	N/A	N/A	N/A	26,000 <sup>(4)</sup>	62,000
<b>THOMAS A. MCKEEVER</b> Former Executive Chairman of the Board <sup>(3)</sup>	2016	-	N/A	-	N/A	N/A	N/A	-	-
	2015	-	N/A	51,317 <sup>(2)</sup>	N/A	N/A	N/A	22,500	73,817
	2014	-	N/A	-	N/A	N/A	N/A	27,820	27,820

- (1) Mr. Excell resigned as a director, President and CEO of the Company effectively February 1, 2014 and Mr. McInnis assumed the role of President and CEO at that time.
- (2) The Company calculated the compensation cost by using the Black-Scholes model assuming a risk free interest rate of 0.75 to 0.94%, a dividend yield of nil, the expected annual volatility of the Company's share price of 88.6 to 93.78% and an expected life of the options of five years.
- (3) Mr. McKeever retired as Executive Chairman of the Company on February 1, 2014 and Mr. McInnis assumed the role of Chairman at that time.
- (4) On May 28, 2014, the Company issued 400,000 common shares to Mr. MacNeily in satisfaction of indebtedness on termination of employment. The shares were valued at a market value of \$0.065 per share for total value of \$26,000.
- (5) Ms. Webb was appointed CFO on August 7, 2014 and Secretary on February 16, 2015.
- (6) Mr. MacNeily was employed by the Company until March 31, 2014, and was an independent consultant to the Company until August 7, 2014.
- (7) Mr. McInnis received \$55,000 in consulting fees pursuant to a consulting agreement dated effective February 1, 2014 and \$22,500 in director's fees.
- (8) These amounts include consulting fees.

**Incentive Plan Awards**

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial year ended December 31, 2016, including awards granted by the Company or any subsidiary of the Company before this most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options <sup>(1)</sup>	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	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
MICHAEL D. McINNIS	500,000	0.050	20-Feb-20	2,500	N/A	N/A	N/A
	2,000,000	0.060	28-Dec-20	Nil	N/A	N/A	N/A
	200,000	0.235	26-Jan-17	Nil	N/A	N/A	N/A
	450,000	0.120	8-Oct-18	Nil	N/A	N/A	N/A
THOMAS A. McKEEVER	250,000	0.050	20-Feb-20	1,250	N/A	N/A	N/A
	1,000,000	0.060	28-Dec-20	Nil	N/A	N/A	N/A
	300,000	0.235	26-Jan-17	Nil	N/A	N/A	N/A
	600,000	0.120	8-Oct-18	Nil	N/A	N/A	N/A

<sup>(1)</sup> All of the grants listed above are grants by the Company of options to purchase Common shares pursuant to the Stock Option Plan. Each option entitles the holder to purchase one Common share.

<sup>(2)</sup> “In-the-money options” means the excess of the market value of the Company’s shares on December 31, 2016 over the exercise price of the options. The last trading price of the Company’s shares on the TSX Venture Exchange (“TSX-V”) on December 31, 2016 was \$0.04.

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

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial 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	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
MICHAEL D. MCINNIS	-	N/A	N/A
JAMES D. EXCELL	-	N/A	N/A
THOMAS A. McKEEVER	-	N/A	N/A

<sup>(1)</sup> “Value vested during the year” means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

**Pension Plan Benefits**

The Company has no pension plans (whether defined contribution or defined benefit) that provide for payments or benefits to any NEO at, following or in connection with retirement. In addition, the Company has no deferred compensation plans.

**Termination and Change of Control Benefits**

Other than as set forth in “Compensation Discussion and Analysis - Employment Contracts”, the Company is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, or a change of control of the Company, its subsidiaries or affiliates or a change in the Named Executive Officer’s responsibilities.

## Director Compensation

The following table provides details of compensation provided by the Company or any subsidiary of the Company to its directors for the financial year ended December 31, 2016. The Company has no pension plans, share-based awards, or other arrangements for non-cash compensation to directors of the Company, except stock options.

### Director Compensation Table

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial year ended December 31, 2016:

Name	Fees earned <sup>(1)</sup>	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>KERRY SPONG</b>	22,500	N/A	-	N/A	N/A	0	22,500
<b>JOHN McCONNELL</b>	22,500	N/A	-	N/A	N/A	0	22,500
<b>TERENCE SEAN HARVEY</b>	16,875	N/A	52,551 <sup>(2)</sup>	N/A	N/A	0	69,426

- (1) Directors receive \$5,625 per quarter. Directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors; these amounts are not treated as compensation by the Company. There are no arrangements for the compensation of directors for committee participation or special assignments.
- (2) On April 19, 2016 the Company granted incentive stock options to Terence Sean Harvey to acquire, in the aggregate, up to 1,500,000 shares at \$0.06 per share until April 19, 2019. The fair value of these options was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 0.79%, expected life of five years, expected volatility of 96.82% and dividend yield of 0%. Kerry Spong was elected as a Director of the Company on April 1, 2016.

### Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table discloses the particulars of all awards outstanding for each director, who is not an NEO as at the end of the Company's financial year ended December 31, 2016, including awards granted by the Company or any subsidiary of the Company before this most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options <sup>(1)</sup>	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	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
<b>KERRY SPONG</b>	500,000	\$0.065	16-Nov-20	-	N/A	N/A	N/A
	1,000,000	\$0.060	28-Dec-20	-	N/A	N/A	N/A
<b>JOHN McCONNELL</b>	500,000	\$0.065	16-Nov-20	-	N/A	N/A	N/A
	1,000,000	\$0.060	28-Dec-20	-	N/A	N/A	N/A
<b>TERENCE SEAN HARVEY</b>	1,500,000	\$0.060	19-Apr-21	-	N/A	N/A	N/A

- (1) All the grants listed above are grants by the Company of options to purchase Common shares pursuant to the Stock Option Plan. Each option entitles the holder to purchase one Common share.
- (2) "In-the-money options" means the excess of the market value of the Company's shares on December 31, 2016 over the exercise price of the options. The trading price of the Company's shares on the TSX-V on December 31, 2016 was \$0.04.

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

The following table summarizes the value of each incentive plan award vested or earned by each director who is not an NEO during the financial 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	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
<b>KERRY SPONG</b>	-	-	-
<b>JOHN McCONNELL</b>	-	-	-
<b>TERENCE SEAN HARVEY</b>	-	-	-

<sup>(1)</sup> “Value vested during the year” means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

## MANAGEMENT CONTRACTS

### Joint Venture with KGHM

The Company’s joint venture company, KGHM Ajax Mining Inc. (“**KGHM Ajax**”), was created in accordance with the terms and conditions of a Joint Venture Agreement (the “**JV Agreement**”) between the Company and KGHM Polska Miedź S.A. The JV Agreement sets out the parameters for the development of the Ajax project and surrounding area of interest. Until September 1, 2012, the Company was the operator for the Ajax Project, and KGHM Ajax reimbursed the Company for expenses incurred as the operator of the Ajax Project. Pursuant to an audit completed during the year ended December 31, 2014 by the Canada Revenue Agency (“CRA”) in respect of income tax withholdings for services provided by a non-resident consultant during the years 2009 to 2012 (the “CRA Audit”), a total of \$241,173 was assessed by CRA and included in the statements of comprehensive loss during the year ended December 31, 2014. The amount assessed by CRA included \$110,776 pertaining to the period during which the Company was operator for the Ajax Project. At December 31, 2014, all amounts owing by the Company in respect of this matter had been satisfied, and the Company was owed \$110,776 plus applicable GST (for a total of \$116,314) by KGHM Ajax (received by the Company subsequent to December 31, 2014).

The following is a summary of amounts that the Company reimbursed or had reimbursable to the Company during the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
	(\$)	(\$)	(\$)
<b>Amounts reimbursed to the Company</b>			
Exploration and evaluation, and acquisition expenditures for mineral interests	-	-	-
Contract wages	-	-	110,776
Office and administrative expenditures	-	-	-
<b>Total</b>	-	-	<b>110,776</b>

### Compensation of Key Management Personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including share-based payments, of key management personnel during the years ended December 31, 2016 and 2015 follow:

	2016	2015
Compensation of key management personnel	(\$)	(\$)
Accounting <sup>(1)</sup>	33,813	30,563
Consulting <sup>(2)</sup>	18,500	63,750
Salaries and contract wages <sup>(3)</sup>	135,000	22,500
Share based payments – stock options	80,870	306,619
Directors' fees <sup>(4)</sup>	84,375	84,375
<b>Total</b>	<b>352,558</b>	<b>507,807</b>

<sup>(1)</sup> Jeannine P. M. Webb in respect of Chief Financial Officer services.

<sup>(2)</sup> Michael McInnis until October 31, 2015; Jeannine P. M. Webb in respect of Corporate Secretary services.

<sup>(3)</sup> Michael McInnis from November 1, 2015.

<sup>(4)</sup> Michael McInnis until September 30, 2015; Louis Montpellier and Victor Lazarovici until September 15, 2015; Thomas McKeever, Kerry Spong and John McConnell; Terence Sean Harvey from April 1, 2016.

Key managements personnel were not paid post-retirement benefits or other long-term benefits during the years ended December 31, 2016 and 2015.

By way of a consulting agreement dated effective February 1, 2014 between the Company and Michael D. McInnis, Mr. McInnis' positions as CEO, President and Chairman of the Company was affirmed at a monthly rate of \$5,000 until January 31, 2015, which agreement was renewed until January 31, 2016. Effective November 1, 2015, the consulting agreement was terminated and the Company and Mr. McInnis entered into an employment agreement for provision of his services as President and CEO of the Company, which agreement includes termination and change of control provisions.

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

The following table sets forth details of the Company's compensation plans (consisting of the Stock Option Plan) under which equity securities of the Company are authorized for issuance at December 31, 2016:

#### Equity Compensation Plan Information

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(b) Weighted-average exercise price of outstanding options, warrants and rights (#)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#)
Equity compensation plans approved by securityholders	12,840,000	\$0.09	11,669,135
Equity compensation plans not approved by securityholders	0	N/A	N/A
<b>Total</b>	<b>12,840,000</b>		<b>11,669,135</b>

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the financial year ended December 31, 2016, no current or former director, executive officer, employee, proposed management nominee for election as a director of the Company nor any of their respective associates, is, or has been at any time since the beginning of a last completed financial year, indebted to the Company or any of its subsidiary, nor has any such person been indebted to any other entity where such indebtedness is a subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, “**informed person**” means:

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

Other than as set out in this Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company’s last completed financial year or in any proposed transaction, which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 - *Audit Committee* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors, as set forth in the following.

The Company’s Audit Committee is governed by an Audit Committee Charter, a copy of which is available online at [www.sedar.com](http://www.sedar.com), attached as Schedule “A” to the Company’s information circular dated May 15, 2006.

The Company’s Audit Committee is comprised of three directors, Kerry Spong (Chair), Thomas A. McKeever and T. Sean Harvey. As defined in NI 52-110, Kerry Spong and T. Sean Harvey are “independent”. Each Audit Committee member possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members, and is financially literate. Thomas A. McKeever has over 40 years of business experience in the global metals and mining industry. Kerry Spong is an Accountant with over 20 years of experience in public and private practice. He has conducted audit work for a wide range of mining and mineral exploration companies, serves as CFO and a Director of a number of junior mining companies. T. Sean Harvey holds an Honours B.A. in economics and geography, an M.A. in economics, an LL.B. specializing in tax and corporate law, and an M.B.A. in finance. He has vast experience in investment and merchant banking, primarily focused on the mining sector, and has held senior executive and Board positions with a number of mining companies. Mr. Harvey currently serves as a director of Perseus Mining Limited, Serabi Gold plc, Victoria Gold Corp. and Sarama Resources Ltd.

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

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, 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 auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.



The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Board on a case by case basis.

In the following table, “Audit Fees” are fees billed by the Company’s external auditors for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-Related Fees” are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax Fees” are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
	(\$)	(\$)	(\$)	(\$)
December 31, 2016	30,000	-	3,000	-
December 31, 2015	20,000	-	3,000	-

<sup>(1)</sup> Fees related to the preparation of the Company’s T-2 corporate income tax return and the General Index of Financial Information required by Canada Revenue Agency.

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires issuers to disclose their governance practices in accordance with that instrument. A discussion of the Company’s governance practices within the context of NI 58-101 is set out in Schedule “A” to this Circular.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Set the Number of Directors

The shareholders of the Company will be asked to vote to set the number of directors at five. **Unless such authority is withheld, the Management Designees, if named as proxyholders, intend to vote the Common shares represented by any such proxy in favour of a resolution setting the number of directors of the Company at five.**

### Election of Directors

The Board of Directors currently consists of five directors and it is intended to elect five directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and unless such authority is withheld, the Management Designees intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

As at the date hereof, the members of the Audit Committee are Kerry Spong (Chair), Thomas A. McKeever and John McConnell, the members of the Nominating and Corporate Governance Committee are Thomas A. McKeever and John

McConnell, the members of the Technical Committee are Michael McInnis and John McConnell, and the members of the Compensation Committee are John McConnell (Chair) and Kerry Spong.. The Company does not have an Executive Committee.

The following table sets out the names of the nominees for election as directors, the province or state, and country of residence, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common shares or number of securities of each class of voting securities of the Company's subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each proposed director, as of September 15, 2017:

<b>Name, Present Office and Province and Country of Residence<sup>(1)</sup></b>	<b>Principal Occupation or Employment<sup>(1)</sup></b>	<b>Date First Appointed as a Director</b>	<b>No. of Common Shares Beneficially Held or Controlled<sup>(1) (2) (7) (8)</sup></b>
<b>MICHAEL D. McINNIS</b> Director, President, CEO, Chairman <i>British Columbia, Canada</i>	<ul style="list-style-type: none"> <li>• Professional Engineer from 1975 to present</li> <li>• Riverstone Resources Inc.: President and CEO of from October 1996 to December 2012</li> <li>• Victoria Gold Corp.: Director from December 2008 to present</li> <li>• Canasil Resources Inc: Director from October 2003 to present</li> </ul>	June 27, 2002	179,166
<b>THOMAS A. McKEEVER<sup>(4) (6)</sup></b> Director <i>South Carolina, U.S.A.</i>	<ul style="list-style-type: none"> <li>• Houston Exploration Company: Director from 2005 to June 2007</li> </ul>	March 15, 2007	48,000
<b>KERRY SPONG<sup>(4) (6)</sup></b> Director <i>British Columbia, Canada</i>	<ul style="list-style-type: none"> <li>• Self-employed Accountant</li> <li>• Gitennes Explorations Inc.: CFO from July 2004 to present</li> <li>• Canasil Resources Inc.: CFO from November 2006 to present</li> <li>• Blackheath Resources Inc.: Director and CFO from May 2011 to present</li> </ul>	September 15, 2015	85,000
<b>JOHN McCONNELL<sup>(3) (5)</sup></b> Director <i>Yukon, Canada</i>	<ul style="list-style-type: none"> <li>• Professional mining engineer</li> <li>• Victoria Gold Corp.: Director since July 31, 2007; President and CEO from February 2011 to present; Executive Vice President from January 2009 to February 2011</li> <li>• Hudson Resources Inc.: Director from January 2010 to present</li> </ul>	September 15, 2015	133,333
<b>T. SEAN HARVEY<sup>(3) (4) (5)</sup></b> Director <i>Ontario, Canada</i>	<ul style="list-style-type: none"> <li>• Businessman</li> <li>• Sarama Resources Ltd.: Director from April 2010 to present</li> <li>• Serabi Gold plc: Director from March 2011 to present</li> <li>• Victoria Gold Corp.: Director from July 2007 to present</li> <li>• Perseus Mining Limited: Director from September 2009 to present</li> </ul>	April 1, 2016	212,500

(1) The information as to province and country of residence, present principal occupation or employment and the number of Common shares beneficially owned or controlled, is not within the knowledge of the management of the Company and has been furnished either by the respective nominees or obtained from SEDI at www.SEDI.ca.

(2) Does not include stock options held by the directors as follows:

Option Holders	Number of Shares (i)	Exercise Price (\$/share) <sup>(i)</sup>	Expiry Date
Michael D. McInnis	75,000	0.720	October 8, 2018
	83,333	0.300	February 20, 2020
	333,333	0.360	December 28, 2020
	125,000	0.420	February 21, 2022
Thomas A. McKeever	100,000	0.720	October 8, 2018
	41,666	0.300	February 20, 2020
	166,666	0.360	December 28, 2020
	83,333	0.420	February 21, 2022
Kerry Spong	83,333	0.065	November 16, 2020
	166,666	0.060	December 28, 2020
	83,333	0.420	February 21, 2022
John McConnell	83,333	0.065	November 16, 2020
	166,666	0.060	December 28, 2020
	83,333	0.420	February 21, 2022
Terence Sean Harvey	250,000	0.060	April 15, 2021
	83,333	0.420	February 21, 2022

- i. After taking into effect the consolidation of the common shares in the capital of the Company, as to one post-consolidation share for every six pre-consolidation shares, which post-consolidated shares commenced trading on the TSX-V on May 1, 2017.
- (3) Member of the Company’s Technical and Mergers and Acquisition Committee.
- (4) Member of the Company’s Audit Committee.
- (5) Member of the Company’s Compensation Committee.
- (6) Member of the Company’s Nominating and Corporate Governance Committee.
- (7) After taking into effect the consolidation of the common shares in the capital of the Company, as to one post-consolidation share for every six pre-consolidation shares, which post-consolidated shares commenced trading on the TSX-V on May 1, 2017.
- (8) Does not include warrants held by the directors as follows:

Warrant Holders	Number of Warrants (i)	Exercise Price (\$/share) <sup>(i)</sup>	Expiry Date
Michael D. McInnis	77,777	0.480	March 8, 2020
Kerry Spong	25,000	0.480	March 8, 2020
John McConnell	77,777	0.480	March 8, 2020
Terence Sean Harvey	77,777	0.480	March 8, 2020

- i. After taking into effect the consolidation of the common shares in the capital of the Company, as to one post-consolidation share for every six pre-consolidation shares, which post-consolidated shares commenced trading on the TSX-V on May 1, 2017.

Cease Trade Orders or Bankruptcies

To the Company’s knowledge except as disclosed herein, no proposed director of the Company:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, CEO or CFO of any company (including the Company and any personal holding companies) that,
- (i) was subject to a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation, that was in effect for a period of more than thirty consecutive days (an “Order”) that was issued while the proposed director was acting in the capacity as director, chief executive director or chief financial officer; 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; or
- (b) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company and any personal holding companies) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings,

arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### Penalties and Sanctions

To the Company's knowledge, no proposed director or personal holding companies of any proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

The shareholders of the Company will be asked to vote for the re-appointment of Deloitte LLP, Chartered Accountants, as auditors of the Company for the ensuing year, and authorize the directors to fix their remuneration. **Unless such authority is withheld, the Management Designees, if named as proxyholders, intend to vote the Common shares represented by any such proxy in favour of a resolution re-appointing Deloitte LLP, Chartered Accountants, as auditors for the Company for the ensuing year,** to hold office until the close of the next annual general meeting of shareholders or until the firm of Deloitte LLP, Chartered Accountants is removed from office or resigns.

### **Amendment to Stock Option Plan**

#### Background

The policies of the TSX-V require that all listed companies adopt either a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the company or a "fixed number" stock option plan reserving a specified number of shares, up to a maximum of 20% of the company's issued shares as at the date of shareholder approval, with vesting provisions for plans that reserve more than 10%, and thereafter grant all stock options pursuant to the plan. The Company has adopted a fixed number stock option plan (the "**Plan**"). 24,509,135 Common shares are reserved for issuance under the Plan.

The Plan currently contains a provision that specifies a minimum Option Exercise Price (as defined below) of \$0.10 per Common share, which is more restrictive than the current minimum pricing policies of the TSX-V. At the Meeting, shareholders will be asked to consider and, if thought fit, to approve an amendment to the Plan to remove this \$0.10 minimum pricing provision. Such amendment to the Plan will be subject to approval of the TSX-V.

The material terms of the Plan are as follows:

#### Purpose

The purpose of the Plan is to encourage common stock ownership in the Company by directors, officers and employees of the Company or any subsidiary of the Company, by consultants of the Company or any affiliate of the Company, or by an employee of a company which provides management services to the Company at the time an option is granted hereunder (hereinafter referred to as "**Optionees**") who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company to attract and retain valued directors, officers and employees by granting options ("**Options**" or "**Option**") to purchase unissued Common shares of the Company on the terms and conditions set forth in the Plan and any stock option agreements entered into between the Company and the Optionees in accordance with the Plan ("**Stock Option Agreements**").

### Administration

The Plan shall be administered by the Board of Directors from time to time of the Company (the "**Administrator**"). No member of the Board of Directors shall by virtue of such appointment be disqualified or ineligible to receive Options.

### Number of Shares Subject to Options

Subject to adjustment by resolution of the shareholders of the Company or adjustment in the event of fundamental corporate changes or pursuant to anti-dilution provisions, the aggregate number of Common shares issuable pursuant to the Plan shall not exceed **24,509,135** Common shares. The number of Common shares issued under the Plan may be increased or changed by the Administrator, subject to shareholder and regulatory approval.

Subject to the overall limit set out above, the number of Common shares reserved for issuance to any one Optionee shall not exceed five percent of the outstanding issue. For the purposes of the Plan, "outstanding issue" is the number of issued and outstanding Common shares immediately prior to the reservation of Common shares in question, plus the number of Common shares which will be issued on exercise or deemed exercise of any Special Warrants outstanding prior to the foregoing reservation and exclusive of any Common shares issuable on exercise of share purchase warrants issuable on exercise of any of the foregoing Special Warrants.

The aggregate number of Common shares reserved for issuance to Optionees who are consultants or employees providing investor relations services to the Company shall not exceed two percent of the outstanding issue. The number of Common shares reserved for issuance to any other consultant to the Company shall not exceed two percent of the outstanding issue.

In the event that Options granted under the Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common shares not purchased under such lapsed Options.

### Terms and Conditions of Options

- (a) *Option Exercise Price:* The exercise price (the "**Option Exercise Price**") of any Option granted under the Plan shall be equal to the greater of either the amount designated by the Administrator at the time of grant, or the Discounted Market Price of the Common shares on the trading day immediately preceding the day on which the TSX-V received notice that an Option has been granted under the Plan. For this purpose, "**Discounted Market Price**" shall be calculated in accordance with the policies of the TSX-V at the time of grant of the Option. The Administrator may also determine that the Option Exercise Price per Common share may escalate at a specified rate dependent upon the year in which any Option to purchase Common shares may be extended by the Optionee.

Currently, the Plan further specifies that the Option Exercise Price is subject to a minimum of \$0.10 per Common share. At the Meeting, shareholders will be asked to consider and, if thought fit, to approve an amendment to the Plan to remove this \$0.10 minimum pricing provision. Such amendment to the Plan will be subject to approval of the TSX-V.

Specifically, section 5(a) of the Plan will be amended to delete the words "subject in either case to a minimum of \$0.10 per Common Share", such that section 5(a) will read as follows:

*"Option Exercise Price:* The option exercise price (the "Option Exercise Price") of any Option granted under the Plan shall be equal to the greater of either the amount designated by the Administrator at the time of grant, or the Discounted Market Price of the Common Shares on the trading day immediately preceding the day on which the Exchange received notice that an Option has been granted under this Plan; subject in either case to any minimum pricing rules of the Exchange. For the purpose of this paragraph, "Discounted Market Price" shall be calculated in accordance with the policies of the Exchange at the time of grant of the Option. The Administrator may also determine that the Option Exercise Price per Common Share may escalate at a specified rate dependent upon the year in which any Option to purchase Common Shares may be extended by the Optionee."

- (b) *Term of Options:* Options may be granted under the Plan exercisable over a period not exceeding ten years. Each Option shall be subject to earlier termination as provided under "Termination of Options" below.

- (c) *Termination of Options:* Any Option granted under the Plan, to the extent not validly exercised, will terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Stock Option Agreement (the "**Expiration Date**"), being not more than ten years after the date the Option was granted;
  - (ii) where the Optionee is a personal holding company beneficially owned by a person eligible to be granted options under the Plan, the date prior to the date that such personal holding company ceases to be wholly owned by a person eligible to be granted options under the Plan;
  - (iii) the date being ninety (90) days after the date of termination of the Optionee's employment or upon ceasing to be a director, officer or consultant of the Company or of any subsidiary or affiliate of the Company for any cause other than by death;
  - (iv) notwithstanding clause (iii) above, where the Optionee is engaged in an investor relations capacity with the Company, the date being thirty (30) days after the date the Optionee ceases to be employed to provide investor relations services to the Company; or
  - (v) the earlier of the Expiration Date and the date that is one year after the date of the Optionee's death during which period the Option may be exercised only by the Optionee's legal representative or the person or persons to whom the deceased Optionee's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Optionee would have been entitled to exercise it at the time of his death.
- (d) *Amendment of Options:* The approval of the disinterested shareholders of the Company is required for the reduction in the exercise price of any Option if the Optionee is an insider of the Company at the time of the proposed reduction in the exercise price.

*Adjustment in event of change in stock*

Each Option shall be adjusted in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the Optionee by such Option. The number of Common shares available for Options, the Common shares subject to any Option, and the Option Exercise Price shall be adjusted appropriately by the Administrator in such event.

*Amalgamation, Consolidation or Merger*

If the Company amalgamates, consolidates with or merges with or into another corporation, which it reserves the right to do, any Common shares receivable on the exercise of an Option granted under the Plan shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Option Exercise Price shall be adjusted appropriately by the Administrator.

*Vesting*

In the event that the Company is a Tier 2 Issuer as that term is defined in the policies of the TSX-V, any Options granted under the Plan shall vest, and may be exercisable by the Optionee as follows:

- (a) 25% of the Options shall vest and be exercisable by the Optionee on the date of granting;
  - (b) 25% of the Options shall vest and be exercisable by the Optionee six (6) months from the date of granting;
  - (c) 25% of the Options shall vest and be exercisable by the Optionee twelve (12) months from the date of granting;
- and

(d) 25% of the Options shall vest and be exercisable by the Optionee eighteen (18) months from the date of granting.

If the Company is a Tier 1 Issuer, then the Options will not be subject to the above vesting schedule, unless the Optionee is a consultant providing investor relations services to the Company.

Shareholder Approval

The shareholders of the Company will be asked to consider and, if thought fit, to approve and adopt an ordinary resolution in substantially the following form:

**“RESOLVED, AS AN ORDINARY RESOLUTION THAT:**

1. subject to approval of the TSX-V, the proposed amendment to the Stock Option Plan of the Company dated May 28, 2009, which amends the minimum exercise price of stock options from \$0.10 per Common share to such minimum pricing rules of the TSX-V as may be applicable, be and is hereby approved; and
2. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.”

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of this ordinary resolution.**

**GENERAL**

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

**OTHER BUSINESS**

Management of the Company knows of no matter to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. **However, if any other matters properly come before the Meeting, it is the intention of the Management Designees to vote on the same in accordance with their best judgment of such matters.**

**SHAREHOLDER PROPOSALS**

ANY SHAREHOLDER WHO INTENDS TO PRESENT A PROPOSAL AT THE COMPANY’S 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS MUST SEND THE PROPOSAL TO THE COMPANY’S CORPORATE SECRETARY AT THE REGISTERED OFFICE OF THE COMPANY, 2800 – 666 BARRARD STREET, VANCOUVER, BC V6C 2Z7. IN ORDER FOR THE PROPOSAL TO BE INCLUDED IN THE COMPANY’S PROXY MATERIALS SENT TO THE SHAREHOLDERS, IT MUST BE RECEIVED BY THE COMPANY NO LATER THAN JUNE 15, 2018, AND MUST COMPLY WITH THE REQUIREMENTS OF SECTION 188 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA). THE COMPANY IS NOT OBLIGATED TO INCLUDE ANY SHAREHOLDER PROPOSAL IN ITS PROXY MATERIALS FOR THE 2018 ANNUAL GENERAL MEETING IF THE PROPOSAL IS RECEIVED AFTER THE JUNE 15, 2018 DEADLINE.

### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2016.

Shareholders wishing to obtain a copy of the Company's Financial Statements and Management's Discussion and Analysis may contact the Company as follows:

Abacus Mining & Exploration Corporation  
1000 - 1050 West Pender Street  
Vancouver, BC V6E 3S7  
Telephone: (604) 682-0301  
Fax: (604) 682-0307  
[www.amemining.com](http://www.amemining.com)

### **DIRECTORS' APPROVAL**

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

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Michael D. McInnis*"  
President, CEO and Chairman  
Vancouver, British Columbia  
September 15, 2017



## SCHEDULE “A”

### ABACUS MINING & EXPLORATION CORPORATION (the “Company”)

#### DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
1. <b>Board of Directors</b>	
a) Disclose the identity of directors who are independent.	a) The Company has three independent directors, namely: Kerry Spong, John McConnell and T. Sean Harvey.
b) Disclose the identity of directors who are not independent, and describe the basis of that determination.	b) The Company has two directors who are not independent because they are, or were within the last three years, executive officers or consultants of the Company, namely: Michael D. McInnis, President, CEO and Chairman and Thomas A. McKeever, the former Executive Chairman of the Board. Mr. McKeever resigned as the Executive Chairman of the Board on February 1, 2014.
c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the “ <b>Board</b> ”) does to facilitate its exercise of independent judgement in carrying out its responsibilities.	c) The Board presently consists of five member, three of whom who are independent.
d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	d) The following directors of the Company are currently also directors of other reporting issuers as listed: <ul data-bbox="889 1182 1430 1436" style="list-style-type: none"><li>• Michael D. McInnis: Canasil Resources Inc. (TSX-V), Victoria Gold Corp. (TSX-V).</li><li>• Kerry Spong: Blackheath Resources Inc. (TSX-V)</li><li>• John McConnell: Victoria Gold Corp. (TSX-V), Hudson Resources Inc. (TSX-V)</li><li>• T. Sean Harvey: Sarama Resources Ltd. (TSX-V), Serabi Gold plc (TSX; London AIM), Victoria Gold Corp. (TSX-V), Perseus Mining Limited (TSX; Australia).</li></ul>
e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the Company’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	e) The independent directors of the Board do not hold regularly scheduled meetings. The Board holds meetings as required, at which the opinion of the independent directors is sought and duly acted upon for all material matters relating to the Company.

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

- f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.
- g) Disclose the attendance record of each director for all Board meetings held since the beginning of the Company's most recently completed financial year.

- f) The Chairman of the Board, Michael D. McInnis, is not an independent director. However, Thomas McKeever, Kerry Spong, John McConnell and T. Sean Harvey are independent directors. The Board provides leadership to its independent directors by encouraging members to bring forth agenda items, having access to members of management and information regarding the Company's activities, and by retaining outside advisors when necessary.
- g) All Directors attended all Board meetings during the Company's most recently completed financial year.

2. **Board Mandate** - Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

- The Board does not have a written mandate. The Board delineates its role and responsibilities as follows:
- a) develop, monitor and, where appropriate, modify the Company's strategic plan;
  - b) review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Company;
  - c) regularly monitor the effectiveness of management policies and decisions;
  - d) select, evaluate and compensate the CEO and other senior officers and review management succession planning;
  - e) assess major risks facing the Company and review options for their mitigation;
  - f) ensure that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
  - g) review, with input from the Audit Committee, the financial performance and financing reporting of the Company and assess the scope, implementation and integrity of the Company's internal control systems;
  - h) appoint the officers of the Company, ensuring that they are of the calibre required for their roles and planning their succession as appropriate from time to time; and
  - i) establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members.

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

**3. Position Descriptions**

- a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.
  
- b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

- a) The Board has not developed written position descriptions for the chair and the chair of each Board committee. The role of the chair of each committee is to preside over all meetings of the Board, consult regarding agendas and information sent to the Board and notify other Board members regarding any legitimate shareholder concerns of which he becomes aware.

The Chairs of the Audit Committee, the Nominating and Corporate Governance Committee, the Technical Committee and the Compensation Committee, in consultation with each committee member, will determine the frequency and length of committee meetings and will develop the committee's agenda.

- b) The Board and CEO have not developed a written position description for the CEO. The directors are kept fully informed of management actions that have a material impact on the operation and performance of the Company. All material contracts and agreements are put before the Board for approval and/or ratification. The Board has charged the CEO with the responsibilities for the day to day running of the Company and to propose strategic direction, policies and financial goals for the review, consideration and approval of the Board.

**4. Orientation and Continuing Education**

- a) Briefly describe what measures the Board takes to orient new directors regarding:
  - i. the role of the Board, committees and its directors; and
  - ii. the nature and operation of the Company's business.
  
- b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

- a) The CEO is responsible for providing an orientation for new directors. Director orientation and on-going training includes presentations by senior management to familiarize directors with the Company's strategic plans, its properties, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

- b) The CEO is responsible for periodically providing materials to all directors on subjects relevant to their duties as directors of the Company. The directors attend conferences and seminars relevant to their particular expertise.

**CORPORATE GOVERNANCE DISCLOSURE  
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**5. Ethical Business Conduct**

- a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:
  - i. disclose how a person or company may obtain a copy of the code;
  - ii. describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
  - iii. provide a cross-reference to any material change report filed since the beginning of the Company's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
- b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

- a) The Company does not have a written code of ethical business conduct for its directors, officers and employees. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals.

Each director, officer and employee is expected to comply with relevant corporate and securities laws, with the terms of their employment agreement and with the *Corporate Disclosure Policy*, *Insider Trading Policy* and *Whistleblower Policy* adopted by the Board.

- b) Under corporate law, the directors are required to disclose to the Board (and to any applicable committee) any financial interest or personal interest in any contract or transaction that is being considered by the Board or committee for approval that they or an associate may have. The interested director shall abstain from voting on the matter and, in most cases, should leave the meeting while the remaining directors discuss and vote on such matter. Disclosed conflicts of interest are documented in the minutes of the meeting.
- c) The Board has instructed the Company to circulate the Company's *Corporate Disclosure Policy*, *Insider Trading Policy* and *Whistleblower Policy* to all officers and employees of the Company and, where appropriate, to third parties with a connection to the Company.

**CORPORATE GOVERNANCE DISCLOSURE  
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**6. Nomination of Directors**

a) Disclose who identifies new candidates for Board nomination.

a) When a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board.

The Nominating and Corporate Governance Committee's responsibilities are to review on an annual basis the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and any perceived needs. In addition, on an annual basis, the Committee will assess the Board's compliance with laws and policies relating to the independence of certain Board members.

The Board has delegated to the Nominating and Corporate Governance Committee the authority set out in the Nominating Committee Charter which includes the Nominating and Corporate Governance Committee forming and delegating authority to sub-committees and the Nominating and Corporate Governance Committee retaining persons having special competencies to assist the Nominating and Corporate Governance Committee in fulfilling its responsibilities.

The process to be taken by the Nominating and Corporate Governance Committee for nomination of candidates for election to the Board includes the Nominating and Corporate Governance Committee identifying the need to add new Board members, with careful consideration of the mix of qualifications, skills and experiences represented on the Board; the Chair of the Nominating and Corporate Governance Committee coordinates the search for qualified candidates with input from management and other Board members; the Nominating and Corporate Governance Committee may engage a search firm to assist in identifying potential nominees; prospective candidates are interviewed; the Nominating and Corporate Governance Committee will recommend a nominee and seek full Board endorsement of the selected candidate based on its judgment as to which candidate will best serve the interest of the Company's shareholders.

The Company currently has a Nominating and Corporate Governance Committee currently consisting of Thomas McKeever and Kerry Spong

b) Disclose the process of identifying new candidates for Board nomination.

b) In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

**7. Compensation**

a) Describe the process by which the Board determines the compensation for the Company's

a) The Company's Compensation Committee assesses performance and determines the remuneration of

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

directors and officers.

senior officers. The Compensation Committee also administers the Company's stock option plan. The Compensation Committee may recommend to the Board the granting of stock options to directors of the Company as well as determine directors' fees, if any, from time to time. Directors may also be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

- b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.
- c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

b) The Company's Compensation Committee is comprised of John McConnell (Chair) and T. Sean Harvey. Messrs. McConnell and Harvey are considered "independent" as that term is defined in NI 52-110.

c) The role of the Compensation Committee is primarily to administer the Company's stock option plan and to determine the remuneration of senior officers of the Company. Please refer to the "Compensation Discussion and Analysis" of this Circular for more details regarding the Company's compensation strategy.

**8. Technical**

- a) Describe the role of the Company's Technical Committee.
- b) Disclose whether or not the Board has a technical committee composed entirely of independent directors.

a) The primary role of the Technical Committee is to advise the Company on technical matters in respect of the Ajax Project and the merits of projects under consideration by the Company.

b) The Company's Technical Committee is comprised of John McConnell and T. Sean Harvey, both of whom are considered "independent" as that term is defined in NI 52-110.

**9. Other Board Committees** - If the Board has standing committees other than the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Technical Committee, identify the committees and describe their function.

8. There are no committees of the Board other than the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Technical Committee.

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

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10. **Assessments** - Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessment. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.

9. Assessments are not regularly conducted for the Board, committees, or individual directors. The assessment of the performance of the Board is determined by the Board and the Chairman of the Board based on the expertise, contributions and participation of individual directors in meetings of the Board and its committees. Committee chairmen are responsible for the evaluation of the effectiveness and performance of the committee members.

**SCHEDULE "B"**

**ABACUS MINING & EXPLORATION CORPORATION**  
(the "Company")

**CHANGE OF AUDITOR REPORTING PACKAGE**

(Please see attached.)



## NOTICE OF CHANGE OF AUDITOR

**ABACUS MINING & EXPLORATION CORP.** (the “Company”) advises that **PricewaterhouseCoopers LLP** (the “Former Auditors”) have resigned as auditors of the Company, effective **December 31, 2016**.

Accordingly, the Directors have appointed **Deloitte LLP**, of 1055 Dunsmuir Street, Suite 2800, Vancouver, BC V4X 1P4 as Auditors for the Company.

There was no reservation in any Former Auditors’ report, no qualified opinion or denial of opinion in connection with the audit of the Company for the two most recently completed fiscal years or for any subsequent period.

There was no reportable event cited by the Former Auditors and the Company is not aware of any reportable events and is of the opinion that none exists.

The resignation of the Former Auditors as auditors of the Company has been approved by the Company’s audit committee and its board of directors.

**DATED** this 25<sup>th</sup> day of **January, 2017**.

**ABACUS MINING & EXPLORATION CORP.**

Per: “Michael McInnis”  
Michael McInnis, President and CEO



Deloitte LLP  
2800 - 1055 Dunsmuir Street  
4 Bentall Centre  
P.O. Box 49279  
Vancouver BC V7X 1P4  
Canada

Tel: 604-669-4466  
Fax: 778-374-0496  
www.deloitte.ca

January 25, 2017

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Office of the Superintendent of Securities, Service Newfoundland & Labrador  
Office of the Superintendent of Securities, Prince Edward Island  
Nova Scotia Securities Commission

Dear Sirs:

**Subject: Abacus Mining & Exploration Corp. (the "Company") - Notice of Change of Auditor**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the notice of change of auditor (the "Notice") issued on January 25, 2017 by the Company and, based on our knowledge of such information at this time, we agree with the information contained in the Notice, except that we have no basis to agree or disagree with the statement that there have been no reportable events with PricewaterhouseCoopers LLP in connection with the audits for the period commencing at the beginning of the Company's two most recently completed financial years and ending on the Resignation Date.

We understand that a copy of the Notice and this letter will be provided to the shareholders of the Company and filed on SEDAR.

Yours truly,

*DELOITTE LLP*

Chartered Professional Accountants



January 25, 2017

To:

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Ontario Securities Commission  
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 **Abacus Mining & Exploration Corp.** in the attached copy of the change of auditor notice dated January 25, 2017, 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 January 25, 2017.

Yours very truly,

*signed "PricewaterhouseCoopers LLP"*

**Chartered Professional Accountants**

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*PricewaterhouseCoopers LLP  
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7  
T: +1 604 806 7000, F: +1 604 806 7806, [www.pwc.com/ca](http://www.pwc.com/ca)*

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