



MANAGEMENT INFORMATION CIRCULAR
as at August 3, 2017

This Information Circular is furnished in connection with the solicitation of proxies by management of Candelaria Mining Corp. for use at the annual general and special meeting of shareholders (the “Meeting”) of Candelaria Mining Corp. to be held at 11:00 a.m. (Vancouver Time) on Thursday, September 7, 2017 at Suite 402 – 1166 Alberni Street, Vancouver, British Columbia V6E 3Z3, and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of August 3, 2017.

In this Information Circular, references to the “Company”, “we” and “our” refer to Candelaria Mining Corp. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders. Unless otherwise indicated, all references to “\$” or “dollars” in this Information Circular means Canadian Dollars.

VOTING AND PROXIES: QUESTIONS AND ANSWERS

Please read the following for commonly asked questions and answers regarding voting and proxies.

Q. Am I entitled to vote?

A. You are entitled to vote if you are a holder of common shares of Candelaria as of the close of business on August 3, 2017, the record date for the meeting. Each Common Share is entitled to one vote. The list of Registered Shareholders maintained by the Company’s transfer agent, Computershare Investor Services Inc., will be available for inspection after August 3, 2017 during normal business hours at their offices, located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, and will also be available for inspection at the Meeting.

Q. What am I voting on?

A. You will be voting to:

- fix the number of directors at seven (7);
- elect directors of the Company for the ensuing year;
- appoint Grant Thornton LLP, Chartered Professional Accountants, as the auditors of the Company and to authorize the directors to fix the auditors’ remuneration;
- approve the Company’s stock option plan;
- pass an ordinary resolution to approve the Company’s Restricted Share Unit plan; and
- pass an ordinary resolution to approve the creation of a new “Control Person” (as such term is defined in the policies of the TSX Venture Exchange).

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. If you attend the Meeting in person and are eligible to vote, you may vote on such matters as you choose. If you have completed and returned a proxy, the securities represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The persons named in the proxy form will have

discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual General and Special Meeting and to other matters that may properly come before the meeting. As of the date of this Information Circular, our management knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the meeting, the persons named in the proxy form will vote on them in accordance with their best judgment. Management is soliciting your proxy. Solicitation of proxies is done primarily by mail, supplemented by telephone or other contact, by our employees or agents at a nominal cost, and all of these costs are paid by the Company. If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares in person at the Meeting or by completing your proxy form through any of the methods described above. If your Common Shares are not registered in your name but are held by a nominee, please see below.

Q. How can I vote?

A. If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares in person at the meeting or by completing your proxy form through any of the methods described above. If your shares are not registered in your name but are held by a nominee, please see below.

Q. How can a Non-Registered Shareholder vote?

A. If your Common Shares are not registered in your name, but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution), your nominee is required to seek your instructions as to how to vote your shares. Your nominee will have provided you with a package of information, including these meeting materials and either a proxy or a voting form. Carefully follow the instructions accompanying the proxy or voting form.

Q. How can a Non-Registered Shareholder vote in person at the meeting?

A. The Company does not have access to all the names of its Non-Registered Shareholders. Therefore, if you are a Non-Registered Shareholder and attend the Meeting, we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as a proxyholder. If you wish to vote in person at the meeting, insert your name in the space provided on the proxy form or voting form sent to you by your nominee. In doing so you are instructing your nominee to appoint you as a proxyholder. Complete the form by following the return instructions provided by your nominee. You should report to a representative of Computershare upon arrival at the Meeting.

Q. Who votes my Common Shares and how will they be voted if I return a proxy?

A. By properly completing and returning a proxy, you are authorizing the person named in the proxy to attend the Meeting and vote your Common Shares. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxyholder. The Common Shares represented by your proxy must be voted according to your instructions in the proxy. If you properly complete and return your proxy but do not specify how you wish the votes cast, your Common Shares will be voted as your proxyholder sees fit. Unless contrary instructions are provided, Common Shares represented by proxies received by management will be voted:

- FOR fixing the number of directors at seven (7);
- FOR the election of directors from those nominees set out in this Information Circular;
- FOR the appointment of Grant Thornton LLP, Chartered Professional Accountants, as the auditors of the Company and the authorization for the directors to fix the auditors' remuneration for the ensuing year;
- FOR the adoption and ratification of the stock option plan;
- FOR the approval to adopt the Company's Restricted Share Unit Plan; and
- FOR the creation of a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange).

Q. Can I appoint someone other than the individuals named in the enclosed proxy form to vote my Common Shares?

A. Yes, you have the right to appoint the person of your choice, who does not need to be a shareholder, to attend and act on your behalf at the Meeting. If you wish to appoint a person other than the names that appear, then strike out those printed names appearing on the proxy form and insert the name of your chosen proxyholder in the space provided.

NOTE: It is important to ensure that any other person you appoint is attending the meeting and is aware that his or her appointment to vote your Common Shares has been made. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare.

Q. What if my Common Shares are registered in more than one name or in the name of my company?

A. If the Common Shares are registered in more than one name, all those registered must sign the form of proxy. If the Common Shares are registered in the name of your company or any name other than yours, you should submit documentation that proves you are authorized to sign the proxy form, concurrently with the filing of your proxy.

Q. Can I revoke a proxy or voting instruction?

A. If you are a Registered Shareholder and have returned a proxy, you may revoke it by:

1. completing and signing a proxy bearing a later date, and delivering it to Computershare; or
2. delivering a written statement revoking your proxy, signed by you or your authorized attorney to:
 - (a) the Corporate Secretary of Candelaria Mining Corp. at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada at any time up to and including the last business day prior to the Meeting, or the business day preceding the day to which the Meeting is adjourned; or
 - (b) to the Chairman of the Meeting prior to the start of the Meeting.

If you are a Non-Registered Shareholder, contact your nominee.

Q. Is my vote confidential?

A. Your proxy vote is confidential. Proxies are received, counted and tabulated by Computershare. Computershare does not disclose the results of individual shareholder votes unless: (i) they contain a written comment clearly intended for management; (ii) in the event of a proxy contest or proxy validation issue; or (iii) if necessary to meet legal requirements. Proxy voting records are routinely shared with management and counsel in the days prior to the Meeting.

Q. How many common shares are outstanding?

A. As of August 3, 2017, there were **101,677,004** Common Shares of the Company issued and outstanding. We have no other class or series of voting shares outstanding.

Q. What if I have other questions?

A. If you have a question regarding the meeting, please contact Computershare at 1-800-564-6253 or visit www.computershare.com.

COMPLETION AND PROXY INSTRUCTIONS

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to non-objecting beneficial owners of the Common Shares held of record by those intermediaries. We do not intend to pay for intermediaries to forward the meeting materials to objecting beneficial owners of Common Shares held of record by those intermediaries. Objecting beneficial owners will not receive meeting materials unless the objecting beneficial owner's intermediary assumes the cost of delivery of the meeting materials.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company. **If you are a Registered Shareholder, you have the right to vote by proxy and to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

Every Proxy may be revoked by an instrument in writing:

- (a) executed by the Shareholder or by his attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney, of the company; and
- (b) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

Voting by Proxyholder

If you have the right to vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) exercise of discretion of Proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Voting by Registered Shareholders

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., in accordance with the instructions on the Proxy.

In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. If completed Proxies are received after said deadline, they shall not be accepted for the purpose of voting at the Meeting unless authorized by the Chairman of the Meeting, in his sole discretion.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Non-Registered Shareholder:

You should carefully follow the instructions of your Intermediary in order to ensure that your Common Shares are voted at the Meeting.

The voting instruction form supplied to you by your Intermediary will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or person designated by you, may attend at the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to

designate, in the blank space on the voting instruction form provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Exercise of Discretion

The persons named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in the discretion of the person named in the proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Persons Making the Solicitation

Candelaria's management is using this Information Circular to solicit proxies from Shareholders for use at the Meeting. The solicitation of proxies will be primarily by mail, but the Company's directors, officers and regular employees may also solicit proxies personally or by telephone. The Company will bear all costs of the solicitation. The Company has arranged for Intermediaries to forward the Meeting materials to beneficial owners of Common Shares held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors and as set out herein. For the purpose of this paragraph, "Person" shall include each person: (a) who has been a director or senior officer of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

RECORD DATE AND QUORUM

The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting as the close of business on August 3, 2017 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company's articles, the quorum for the transaction of business at the Meeting consists of, subject to the special rights and restrictions attached to the share of any class or series of shares, one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to its articles, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of an unlimited number of common shares without par value. As at the Record Date of August 3, 2017, there were **101,677,004** fully paid and non-assessable Common Shares issued and outstanding, each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof. The outstanding Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "**CAND**".

To the knowledge of the directors and executive officers of the Company, as of the date hereof, only the following Shareholder beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Company entitled to vote at the Meeting:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed (directly or indirectly) ⁽¹⁾	Percentage of Issued and Outstanding Common Shares as of the date hereof ⁽¹⁾
Javier Reyes	15,881,220 ⁽²⁾	15.62%

Notes:

- (1) The information as to the number and percentage of Common Shares beneficially owned, directly or indirectly, or controlled or directed, has been obtained from the System for Electronic Disclosure by Insiders and Early Warning Reports filed by insiders as of the date of this Management Information Circular.
- (2) Included in Mr. Reyes' share position are 14,788,888 Common Shares owned by Credipresto SA de CV SOFOM and 1,092,332 Common Shares owned by Antares Capital fund, Ltd., of which Mr. Reyes is the controlling shareholder.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein and not less than two-thirds (66.67%) of affirmative votes cast at the Meeting is required to pass the special resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

PRESENTATION OF FINANCIAL STATEMENTS

The audited annual financial statements of the Company for the financial year ended April 30, 2017 and the auditor's report thereon will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

ELECTION OF DIRECTORS

The Company proposes to fix the number of directors of the Company at seven (7) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised	Principal Occupation⁽¹⁾
Curtis Turner Nevada, USA <i>CEO and Director</i>	June 12, 2017	Nil	CEO of Candelaria Mining Corp. Corporate Development Officer of Argonaut Gold Inc., a TSX listed company, from October 2009 to January 2017.
Javier Reyes⁽²⁾ Mexico City, Mexico <i>Director</i>	March 17, 2016	15,881,220 ⁽³⁾	President of Credipresto, S.A. de C.V. ENR and Director and Manager of Antares Capital Management Ltd.
Ramon Perez⁽²⁾ Florida, USA <i>President and Director</i>	March 17, 2016	Nil	President of Candelaria Mining Corp.
Manuel Gomez⁽²⁾ Baden, Switzerland <i>Director</i>	March 17, 2016	5,963,000 ⁽⁴⁾	Managing Director at Horizon Asset, Portfolio Manager at GIMA Asset Management and Sales Consultant at Clariden Bank.
Javier Montaña Sinaloa, Mexico <i>Director</i>	September 12, 2016	9,466,667 ⁽⁵⁾	Chief Executive Officer of C-UNO S.A. DE C.V.
Mark Backens South Dakota, USA <i>Proposed Director</i>	N/A	Nil	Director of Alio Gold Inc.
Wayne Hubert Utah, USA <i>Proposed Director</i>	N/A	Nil	InZinc Mining Ltd.

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.
- (2) Denotes a member of the Audit Committee of the Company.
- (3) Included in Mr. Reyes' share position are 14,788,888 Common Shares owned by Credipresto SA de CV SOFOM and 1,092,332 Common Shares owned by Antares Capital fund, Ltd., of which Mr. Reyes is the controlling shareholder.
- (4) Included in Mr. Gomez's share position are 2,827,000 Common Shares are owned by Horizon Art Merchands AG, of which Mr. Gomez is a controlling shareholder.
- (5) Included in Mr. Montaña's share position are 9,466,667 Common Shares owned by C-UNO S.A. DE C.V., of which Mr. Montaña is the controlling shareholder.

Mark Backens – Mr. Backens has over 30 years of global mining experience including, most recently, as CEO of Alio Gold Inc. Mr. Backens has 10 years of investment banking experience most recently as Director of Investment Banking - Mining for Scotia Capital. Mr. Backens also has 20 years of senior management experience with Meridian Gold, Placer Dome and Goldcorp in the areas of exploration, engineering, mine construction, mine management and corporate development. Mr. Backens holds a Bachelor of Science in Geological Engineering from South Dakota School of Mines and is formerly a Professional Geologist. Mr. Backens is currently a director of Alio Gold Inc.

Wayne Hubert – Mr. Hubert was most recently CEO and director of Andean Resources Limited from 2006 until December 2010. When he joined Andean, the company had a market capitalization of \$70 million and a resource

base of about 800,000 ounces of gold. Mr. Hubert helped lead Andean through several discoveries which increased the resource base to over 5 million ounces of high-grade gold as well as subsequent feasibility studies, financings and permitting. Andean was ultimately acquired by Goldcorp for \$3.5 billion. Prior to his tenure at Andean, Mr. Hubert was Vice-President Corporate Development and Investor Relations with Meridian Gold Inc. During his 14 year career at Meridian, he gained considerable experience in the areas of finance, exploration, project development, permitting and construction. He has a bachelor of science in Chemical Engineering from the University of Cape Town and an MBA from Brigham Young University.

Recommendation of the Board

The Board recommends that the Shareholders vote “FOR” the ordinary resolution fixing the number of directors of the Company for the ensuing year at seven (7) and “FOR” its nominees for election as directors of the Company for the ensuing year.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company:

- (a) is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:
 - (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (ii) was subject to an order that was issued after the director or executive officer 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.

For the purposes of subsection (a), “order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for more than 30 consecutive days.

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company, or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the 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;
- (b) has, within the 10 years before the date of this Information 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 director, executive officer or shareholder;
- (c) has been subject to 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
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

APPOINTMENT OF AUDITORS

Management is recommending that shareholders vote to appoint Grant Thornton LLP, of 1600 – 333 Seymour Street, Vancouver, British Columbia, V6B 0A4, as auditors for the Company and to authorize the directors to fix their remuneration. The Board resolved on July 21, 2017 to appoint Grant Thornton LLP as auditors for the Company in place of Dale Matheson Carr-Hilton LaBonte LLP (“DMCL”).

There have been no reportable events between the Company and DMCL and no modified opinions by DMCL for the purposes of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”). A “reportable event” is defined in NI 51-102 as a disagreement, a consultation or an unresolved issue with the auditors. A copy of the reporting package required by NI 51-102 with respect to the resignation of DMCL and the appointment of Grant Thornton LLP as auditors for the Company, including the Notice of Change of Auditor, a letter from DMCL and a letter from Grant Thornton LLP is attached to this Information Circular as Schedule “B”.

Recommendation of the Board

The Board recommends that the Shareholders vote “FOR” the appointment of Grant Thornton LLP as the auditors of the Company for the ensuing year and “FOR” the authorization of the Board to determine the remuneration to be paid to the auditors.

APPROVAL OF STOCK OPTION PLAN

At the Meeting, Shareholders of the Company will be asked to approve the continuation of the Company’s 2012 Stock Option Plan (the “Plan”). The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. A full copy of the Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the Meeting on written request.

Eligible Participants. Incentive stock options (“Options”) may be granted under the Plan to directors, senior officers or management company employees of the Company or its subsidiaries (collectively, the “Directors”), employees of the Company or its subsidiaries (collectively, the “Employees”) or consultants of the Company or its subsidiaries (collectively, the “Consultants”). The Board of the Company, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares as at the closing date of the Company’s initial public offering (“IPO”) until the completion of the Company’s Qualifying Transaction, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual, and thereafter will be a maximum of 10% of the issued and outstanding Common Shares at the date of granting the Option (including all Options granted by the Company under the Plan and all restricted share units awarded by the Company under its Restricted Share Unit Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

No Option may be exercised before the completion of Company’s Qualifying Transaction unless the Optionee agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final Exchange Bulletin.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Plan is determined by the Board and may not exceed five years from the date of grant.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the greater of the Company’s IPO price and the discounted market price, and after the completion of the Company’s Qualifying Transaction not less than the discounted market price, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual or such other minimum price as is permitted by the TSX

Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:

- (i) such date as fixed by the Board, provided that the date is no more than one year from the date on which the holder ceases to be eligible to hold the Option (the “**Cessation Date**”);
- (ii) the end of the term of the Option;
- (iii) If the Optionee received his or her option as Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction and such Optionee ceases to be a Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction, other than by reason of death, then the Expiry Date of the option will be 90 days after the date the Optionee ceases to be a Director, Employee or Consultant of the Company. If the Optionee received his or her option as Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction and such Optionee ceases to be a Director of the Company concurrently with Completion of the Qualifying Transaction, other than by reason of death, then the Expiry Date of the option will be the later of: (a) 12 months after the Completion of the Qualifying Transaction; and (b) 90 days after the date the Optionee ceases to be a Director of the Company. If the Optionee received his or her option as Director of the Company on or after the Completion of the Qualifying Transaction and such Optionee ceases to be a Director of the Company, other than by reason of death, then the Expiry Date of the option will be 180 days after the date the Optionee ceases to be a Director of the Company.
- (iv) 180 days after the date of the Optionee ceasing to act as an employee engaged in investor relations activities, other than by reason of death; or
- (v) one year from the date of death, if the Cessation Date is as a result of death.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) the 2012 Stock Option Plan (the “Plan”) conforms with the rules and policies of the TSXV, as applicable, be and is hereby approved and adopted;
- (b) the number of Common Shares issuable pursuant to the Plan be set at 10% of the outstanding issued Common Shares from time to time, subject to any limitations imposed by applicable regulations, laws, rules and regulations;
- (c) the Board is authorized on behalf of the Company to make any further amendments to the Plan as may be required by applicable regulatory authorities, without requiring further approval of the Shareholders, in order to ensure adoption of the Plan;
- (d) the Company is authorized to file the Plan with the TSXV for acceptance, and the implementation of the Plan is subject to the receipt of such approval; and
- (e) any one or more directors or officers of the Company, for and on behalf of the Company, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and

file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution.”

If the Plan is approved by Shareholders at the Meeting, all options granted following such approval will be subject to, and will vest in accordance with, the terms and conditions of the Plan and the option agreements applicable thereto. All outstanding options granted under the Plan will continue to be governed by, and will vest in accordance with, the terms and conditions of the Plan and the option agreements pursuant to which such options were issued.

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8, until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

The Board has determined that approval of the Plan is in the best interests of the Company and unanimously recommends that the Shareholders vote in favour of the Plan Resolution. In order to be approved, the Plan Resolution must be passed by a simple majority of the votes cast by the Shareholders at the Meeting. Unless a Shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Option Plan Resolution, the persons named in the enclosed form of proxy will vote “FOR” the Plan Resolution.

APPROVAL OF RESTRICTED SHARE UNIT PLAN

The Company is seeking Shareholder approval for the issuance of Common Shares from treasury pursuant to the Company’s new Restricted Share Unit Plan (the “**RSU Plan**”). The Board intends to use restricted share units (“**Restricted Share Units**”) issued under the RSU Plan, as well as options issued under the Plan (as described in item 4 of this information circular), as part of the Company’s overall executive compensation plan. Since the value of Restricted Share Units increase or decrease with the price of the Common Shares, Restricted Share Units achieve the compensation objective of aligning the interests of executives with those of Shareholders. In addition, Restricted Share Units have both time-based and performance-based vesting features that can be used to better motivate executives and to encourage qualified and experienced executives to make long-term commitments to the Company.

At the Meeting, Shareholders will be asked to approve a resolution to implement the RSU Plan as a treasury based plan. In order to be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting. Unless instructions are given to decline to vote or to vote against concerning the following resolution, the persons whose names appear in the instrument of proxy intend to vote at the meeting in favour of the following resolution (the “**RSU Plan Resolution**”).

“BE IT RESOLVED THAT:

1. subject to the approval of the TSX Venture Exchange (the “**TSXV**”), the Restricted Share Unit Plan (the “**RSU Plan**”), with any changes as may be required by the TSXV, and the issuance thereunder of up to 3% of the aggregate number of common shares of the Company as are issued and outstanding from time to time, subject to an aggregate of 10% of the issued and outstanding common shares of the Company when combined with shares issuable under the Company’s Stock Option Plan, be and the same is hereby approved and authorized;
2. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the adoption of the proposed RSU Plan of the Company is conditional upon receipt of final approval from the TSXV and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors.”

The Board recommends that Shareholders vote “FOR” the RSU Plan Resolution set out above, and the Company has been advised that the directors and senior officers of the Company intend to vote all Common Shares held by them in favour of the RSU Plan Resolution.

Summary of the RSU Plan

Set out below is a summary of the RSU Plan. This summary is qualified in its entirety by the full text of the RSU Plan, a copy of which is available for review at the registered office of the Company.

Eligible Participants

Directors, officers, employees and eligible consultants of the Company are eligible to participate in the RSU Plan (the “**Participants**”). In accordance with the terms of the RSU Plan, the Board will approve those Participants who are entitled to receive restricted share units (“**Restricted Share Units**”) and the number of Restricted Share Units to be awarded to each Participant. The RSU Plan shall be administered by the Board or, if the Board determines in accordance with Section 2.3 of the RSU Plan, a committee of the Board (the “**Committee**”) authorized to administer the RSU Plan.

Vesting

Each award of Restricted Share Units under the RSU Plan to a Participant (a “**Restricted Share Unit Award**”) will entitle the Participant, subject to the Participant’s satisfaction of any conditions, restrictions, vesting period or limitations imposed under the RSU Plan or set out a Restricted Share Unit grant letter, to receive one previously unissued Common Share for each Restricted Share Unit on the date when the Restricted Share Unit Award is fully vested. Except as otherwise provided in a Restricted Share Unit grant letter or any other provision of the RSU Plan, the vesting period of the Restricted Share Units granted pursuant to Section 3.4 of the RSU Plan will be determined by the Board and may not exceed three years following the Grant Date.

Maximum Number to be Granted

The RSU Plan includes the following restrictions on issuances:

- a) The number of Common Shares issuable from treasury to any one Participant under the RSU Plan shall not exceed 3% of the total number of Common Shares issued and outstanding from time to time, and, together with any Common Shares issuable pursuant to all other Security-Based Compensation Arrangements (as defined in the RSU Plan) of the Company shall not exceed 10% of the issued and outstanding Common Shares from time to time;
- b) The number of Common Shares issuable from treasury to insiders under the RSU Plan, together with any Common Shares issuable pursuant to all other Security Based Compensation Arrangements of the Company, within any one-year period, shall not exceed 10% of the issued and outstanding Common Shares; and
- c) The maximum number of Common Shares issuable to any one individual, at any time, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 1% of the total number of Common Shares then outstanding and in the aggregate, 2% of the total number of Common Shares in any 12-month period.

Cessation of Entitlement

Subject to the foregoing, in the event of:

- (a) the death of a Participant, all unvested Restricted Share Units credited to the Participant will vest on the date of the Participant’s death. The Common Shares underlying the Restricted Share Units credited to the Participant’s account shall be issued to the Participant’s estate as soon as practicable thereafter;
- (b) the total disability of a Participant, all unvested Restricted Share Units credited to the Participant will vest within 60 days following the date on which the Participant is determined to be totally disabled, and the

Common Shares underlying such Restricted Share Units credited to the Participant's account shall be issued to the Participant as soon as practicable thereafter;

- (c) the termination without cause of a Participant, all unvested Restricted Share Units credited to the Participant will be cancelled on the date of termination;
- (d) the termination of the employment or services of the Participant, prior to the Participant's Entitlement Date, for any reason other than death, disability, retirement or termination without cause, then, except as provided for in the Restricted Share Unit grant letter or as determined by the Committee, all Restricted Share Units will be forfeited by the Participant, and be of no further force and effect, as of the date of Termination; and
- (e) a Change of Control, all Restricted Share Units outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for the Common Shares underlying the Restricted Share Units.

Transferability

Restricted Share Units are not assignable or transferable other than by operation of law, except, if and on such terms as the Company may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, minor children or minor grandchildren, and after the Participant's lifetime shall enure to the benefit of and be binding upon the Participant's designated beneficiary.

Amendments to the RSU Plan

The Board or the Committee, as the case may be, may discontinue the RSU Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any Restricted Share Unit granted under the RSU Plan.

- (a) The Board or the Committee may, subject to receipt of requisite regulatory and shareholder approval, make the following amendments to the RSU Plan:
 - (i) increase the number of Restricted Share Units which may be issued pursuant to the RSU Plan;
 - (ii) change the definition of "Participant" under the RSU Plan which would have the potential of narrowing, broadening or increasing insider participation;
 - (iii) reduce the range of amendments requiring shareholder approval contemplated in Section 5.3 of the RSU Plan;
 - (iv) make amendments that may lead to significant or unreasonable dilution to the Company's outstanding securities, or that may provide additional benefits to Participants at the expense of the Company or its shareholders;
 - (v) change insider participation limits which would result in shareholder approval being required on a disinterested basis; or
 - (vi) make amendments to Section 5.4 of the RSU Plan that would permit Restricted Share Units, or any other right or interest of a Participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.
- (b) The Board or the Committee may, subject to receipt of requisite regulatory approval (where required), but not subject to shareholder approval, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:
 - (i) amendments of a housekeeping nature;
 - (ii) the addition or a change to the vesting provisions of a Restricted Share Unit or the RSU Plan;

- (iii) a change to the termination provisions of a Restricted Share Unit or the RSU Plan;
- (iv) amendments to reflect changes to applicable securities laws; and
- (v) amendments to ensure that the Restricted Share Units granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant to whom a Restricted Share Unit has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

APPROVAL OF NEW CONTROL PERSON

On August 18, 2016, the Company completed a private placement pursuant to which Credipresto SA de CV SOFOM ENR (“**Credipresto**”) purchased an unsecured convertible note (the “**Convertible Note**”) in the principal amount of US\$2,500,000 (the “**Principal Amount**”). The Convertible Note has a maturity date of August 18, 2018 and interest is payable at 6% per annum, paid monthly. The Principal Amount (on an exchange rate of 1.3 CAD per 1 USD basis) of the Convertible Note is convertible into units (“**Units**”) of the Company a price of \$0.465 per Unit. Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle Credipresto to purchase one additional Common Share at an exercise price of \$0.75 per Common Share for a period of 18 months from the date of issuance of the Units.

Credipresto is a Mexican company controlled by Javier Reyes, a director of the Company. Mr. Reyes has beneficial ownership, direction or control over an aggregate of 15,881,220 Common Shares representing approximately 15.62% of the Company’s issued and outstanding Common Shares, of which 14,788,888 Common Shares are owned by Credipresto.

If Credipresto were to convert all of the Principal Amount of the Convertible Note into Units, Mr. Reyes would indirectly acquire 6,989,247 Common Shares and 3,494,623 warrants. Following completion of the transaction, Mr. Reyes would hold indirectly an aggregate of 22,870,467 Common Shares representing approximately 21.05% of the issued and outstanding Common Shares of the Company, and 4,494,623 warrants of the Company, assuming no further Common Shares are issued. If Mr. Reyes were to exercise the warrants, he would hold indirectly approximately 24.40% of the issued and outstanding Common Shares of the Company on a partially diluted basis, assuming no further Common Shares are issued.

If Credipresto were to convert all of the Principal Amount of the Convertible Note into Units, Mr. Reyes would become a new “Control Person” as defined in Policy 1.1 of the policies of the TSX Venture Exchange. A Control Person includes any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities (including securities convertible into voting securities, or a combination thereof) of a listed issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer. Pursuant to TSXV Policy 4.1, section 1.12, if the common shares issued on conversion of a convertible security will result in, or is part of a series of transactions that will result in, the creation of a new Control Person (as that term is defined in the policies of the TSXV), the TSXV requires the Company to obtain shareholder approval of the issuance of such securities. Accordingly, the Company is seeking disinterested shareholder approval to the creation of such new Control Person.

To be effective, the resolution approving the creation of a new Control Person requires the affirmative vote of a majority of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes attached to Common Shares held by the new Control Person. Accordingly, a total of 15,881,220 Common Shares owned or controlled by the following persons will be excluded from voting on approval of the creation of a new Control Person at the Meeting:

Name	Number of Common Shares⁽¹⁾
Credipresto SA de CV SOFOM ENR	14,788,888
Antares Capital Fund, Ltd.	1,092,332
Total:	15,881,220

(1) Number of Common Shares held is as of the date hereof.

At the Meeting, Shareholders will be asked to pass an ordinary resolution in the following form:

“BE IT RESOLVED that:

- (a) Javier Reyes becoming a Control Person (as such term is defined in the TSX Venture Exchange Corporate Finance Policy 1.1) of the Company as a result of the issuance of securities by the Company to Mr. Reyes or entities owned and/or controlled by Mr. Reyes upon conversion of the Convertible Note, as more particularly described in the management information circular of the Company dated August 3, 2017, be and the same is hereby authorized and approved; and
- (b) any one director or officer of the Company is hereby authorized for and on behalf of the Company to take all such action, do all such things and execute under seal or otherwise and deliver or cause to be delivered all such documents that such director or officer deems necessary or desirable in furtherance of the foregoing resolutions.

Management and the Board of Directors of the Company unanimously recommend that the Shareholders vote in favour of the resolutions approving the creation of a new Control Person. In the absence of instructions to the contrary, the management proxyholders will vote the Common Shares represented by each form of proxy, properly executed, FOR the approval of the foregoing resolutions.

OTHER BUSINESS

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, the Company is required to provide a summary of all annual and long-term compensation for services in all capacities to the Company and its subsidiaries for the most recently completed financial year in respect of the Company's chief executive officer (“**CEO**”), its chief financial officer (the “**CFO**”) and the other three most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeded \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was neither serving as an executive officer, nor was acting in a similar capacity at the end of the most recently completed financial year (the “**Named Executive Officers**” or “**NEOs**”).

As at April 30, 2017, the end of the most recently completed financial year of the Company, the Company had three (3) NEOs, whose name and positions held within the Company are set out in the summary compensation table below.

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

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

The following table is a summary of compensation (excluding compensation securities) awarded to, earned by, paid to, or payable to each NEO and director for each of the Company's two most recently completed financial years. For information concerning compensation related to previous years, please refer to the Company's previous Information Circulars available at www.sedar.com.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sokhie Puar ⁽¹⁾ Chairman, former CEO, former President and Director	2017	89,590	Nil	Nil	Nil	Nil	89,590
	2016	48,000	Nil	Nil	Nil	Nil	48,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Ramon Perez ⁽²⁾ President, former Interim CEO, former CFO, former COO, and Director	2017	105,400	Nil	Nil	Nil	Nil	105,400
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Sam Wong ⁽³⁾ CFO and Corporate Secretary	2017	21,000	Nil	Nil	Nil	Nil	21,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Manuel Gomez ⁽⁴⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Javier Reyes ⁽⁵⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Javier Montaña ⁽⁶⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Sokhie Puar was appointed President, CEO and Corporate Secretary of the Company April 17, 2012. He resigned as CEO and Corporate Secretary on September 12, 2016. Mr. Puar was appointed Chairman on September 12, 2016. He

resigned as President of the Company on June 12, 2017 and resigned as a director of the Company on September 7, 2017. During fiscal 2017, Mr. Puar was paid \$89,590 (being the equivalent of US\$68,000 calculated using annual average of fiscal year ended April 30, 2017 of US\$1.00:CDN\$1.3175).

2. Ramon Perez was appointed a director, CFO and COO of the Company on March 17, 2016. He resigned as CFO and COO on September 12, 2016. Mr. Perez was appointed interim CEO of the Company on September 12, 2016. He resigned as interim CEO on June 12, 2017 and Mr. Curtis Turner was appointed as CEO of the Company on June 12, 2017. Mr. Perez was appointed as the President of the Company on June 12, 2017. Mr. Perez was paid \$105,400 (being the equivalent of US\$80,000 calculated using annual average of fiscal year ended April 30, 2017 of US\$1.00:CDN\$1.3175)..
3. Sam Wong was appointed CFO and Corporate Secretary of the Company on September 12, 2016.
4. Manuel Gomez was appointed a director of the Company on March 17, 2016.
5. Javier Reyes was appointed a director of the Company on March 17, 2016.
6. Javier Montaña was appointed a director of the Company on September 12, 2016.

Stock Options and Other Compensation Securities

The Company has not granted any share-based awards to the directors and NEOs.

The following table contains information on options granted by the Company to directors and NEO's during the most recently completed financial year and the outstanding options of the Company held by the directors and NEO's as at the end of the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Sokhie Puar ⁽²⁾ Chairman, Director, former CEO, former President and former Corporate Secretary	Stock Options	250,000	July 4, 2016	\$0.45	\$0.615	\$0.94	July 4, 2021
	Stock Options	666,667	July 27, 2016	\$0.90	\$1.02	\$0.94	July 27, 2021
	Stock Options	40,741	Nov. 8, 2012	\$0.30	\$0.90	\$0.94	Nov. 8, 2017
Sam Wong CFO and Corporate Secretary	Stock Options	100,000	October 31, 2016	\$0.90	\$0.99	\$0.94	October 31, 2021
Ramon Perez ⁽³⁾ Director, former CFO, former COO and former Interim CEO	Stock Options	250,000	July 4, 2016	\$0.45	\$0.615	\$0.94	July 4, 2021
	Stock Options	666,667	July 27, 2016	\$0.90	\$1.02	\$0.94	July 27, 2021
	Stock Options	166,667	March 22, 2016	\$0.15	\$0.05	\$0.84	March 22, 2021
Javier Reyes ⁽⁴⁾ Director	Stock Options	250,000	July 4, 2016	\$0.45	\$0.615	\$0.94	July 4, 2021
	Stock Options	666,667	July 27, 2016	\$0.90	\$1.02	\$0.94	July 27, 2021
	Stock Options	166,667	March 22, 2016	\$0.15	\$0.05	\$0.84	March 22, 2021

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Manuel Gomez ⁽⁵⁾ Director	Stock Options	83,333	July 4, 2016	\$0.45	\$0.615	\$0.94	July 4, 2021
	Stock Options	83,333	March 22, 2016	\$0.15	\$	\$0.94	March 22, 2021
	Stock Options	83,333	March 31, 2016	\$0.15	\$0.05	\$0.94	March 31, 2021
Javier Montaña ⁽⁶⁾ Director	Stock Options	-166,667	March 22, 2016 July 27, 2016	\$0.15	\$ \$1.02	\$0.94	March 22, 2021
	Stock Options	33,333		\$0.90		\$0.94	July 27, 2021

Notes:

1. On November 21, 2016, the Company consolidated its issued and outstanding Common Shares such that every three Common Shares were consolidated into one Common Share. The Company's stock options were also adjusted to account for the consolidation in accordance with the terms and conditions of such options. This table reflects post-consolidation amounts.
2. The aggregate total of stock options held by Mr. Puar as of April 30, 2017 is 1,149,999.
3. The aggregate total of stock options held by Mr. Perez as of April 30, 2017 is 1,083,332.
4. The aggregate total of stock options held by Mr. Reyes as of April 30, 2017 is 1,083,332.
5. The aggregate total of stock options held by Mr. Gomez as of April 30, 2017 is 249,999.
6. The aggregate total of stock options held by Mr. Montaña as of April 30, 2017 is 499,998.

No director or NEO exercised any compensation securities during the most recently completed financial year.

Stock Options and Other Incentive Plans

The Company has a Restricted Share Unit Plan. See "Approval of Restricted Share Unit Plan" above for the material terms of the Restricted Share Unit Plan. The Restricted Share Unit Plan will be placed before the Meeting for shareholder approval.

Employment, Consulting and Management Agreements

The Company has consulting agreements in place with the President, CEO and CFO that provide for payments, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or its subsidiaries or a change in responsibilities of the NEO following a change in control.

The following is the termination payment for each specific event:

Event	President	CEO	CFO
Resignation	\$nil	\$nil	\$nil
Termination without cause	2 years of annual compensation	1 year annual compensation after probation period Subsequent to 18 months of holding office, maximum of 2 years annual compensation	\$nil
Change of Control	2 years of annual compensation	2 years of annual compensation	2 years of annual compensation

For purposes of the termination payment, a “Change of Control” means (i) when any person or corporation acquires the beneficial ownership, of, or control or direction over, directly, or indirectly, securities of the Company representing fifty percent (50%) or more of the combined voting total of the Company’s outstanding securities; or (ii) the occurrence of a transaction requiring shareholder approval involving the acquisition of the Company by an entity through the purchase of assets, by amalgamation, merger, statutory arrangement, reverse takeover or any other form of restructuring transaction.

Termination of the President and the CEO following a Change of Control will occur or will be deemed to occur if, within the twelve (12) month period immediately following a Change of Control, any of the following occur, without the President’s or CEO’s written consent, which event is not rectified by the Company within thirty (30) days of the occurrence:

- (a) the officer’s agreement with the Company is terminated by the Company without cause;
- (b) an adverse change by the Company in the officer’s position, duties, responsibilities, title or office from those which were in effect immediately prior to the Change of Control, including the officer no longer holding the office of President or CEO (as applicable), of the ultimate parent company following the Change of Control;
- (c) the good faith determination by the officer that, as a result of the Change in Control or any action or event thereafter, the officer’s status or responsibility within the Company has been diminished or that the officer is effectively being prevented from carrying out his duties and responsibilities as they existed immediately prior to the Change of Control;
- (d) a decrease in the officer’s base compensation or a material decrease in the officer’s incentive bonus, benefits, stock based compensation, vacation or other compensation;

Other than disclosed herein, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill and experience levels and the existing stage of development of the Company. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Company’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long-term incentives in the form of stock options. Finally, and only in

special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide medical, dental, pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and the Board from time to time determine the stock option grants to be made pursuant to the Company's Stock Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Given the Company's size and the amounts awarded as executive compensation, the Board has determined that it is not necessary to consider the implications of the risks associated with the Company's compensation policies and practices.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSX Venture Exchange.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuances under equity compensation plan
Equity compensation plans approved by security holders (Stock Option Plan)	15,743,611	\$0.41	4,760,554
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	15,743,611	\$0.41	4,760,554

Notes:

1. On November 21, 2016, the Company consolidated its issued and outstanding Common Shares such that every three Common Shares were consolidated into one Common Share. The Company's stock options were also adjusted to account for the consolidation in accordance with the terms and conditions of such options. This table reflects post-consolidation amounts.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or above, since the commencement of the Company's most recent financial year, no informed person (a director, officer or holder of 10% or more Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any

transaction, directly or indirectly, which has materially affected or would materially affect the Company or any of its subsidiaries. See “Executive Compensation” and “Directors Compensation”.

MANAGEMENT CONTRACTS

Management functions of the Company are not to any substantial degree performed by anyone other than the directors or executive officers of the Company.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day-to-day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board currently consists of six directors: Curtis Turner, Sokhie Puar, Javier Reyes, Ramon Perez, Manuel Gomez and Javier Montaña. All of these directors except Sokhie Puar are to be nominated for election at the Meeting.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Of the proposed nominees, five directors, Javier Reyes, Manuel Gomez, Javier Montaña, Mark Backens and Wayne Hubert are considered independent. Of the proposed nominees, two directors, Curtis Turner and Ramon Perez, are considered not independent.

Other Directorships

The following table sets forth the proposed directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
Curtis Turner	N/A
Ramon Perez	ASB Capital Inc.
Javier Reyes	Goldgroup Mining Inc. Organto Foods Inc. Dynasty Metals and Mining Inc.
Manuel Gomez	N/A
Javier Montaña	Goldgroup Mining Inc. Organto Foods Inc.
Mark Backens ⁽¹⁾	Alio Gold Inc.
Wayne Hubert ⁽¹⁾	InZinc Mining Ltd.

Notes:

(1) Nominee that is not a current member of the Board of Directors.

Orientation and Continuing Education

Orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. The Company encourages directors to undertake continuing education the costs of which are borne by the Company.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing legislation and common law together with corporate statutory restrictions on an individual director's participation in Board decisions in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

Compensation

The Board has not established a formal compensation committee. Rather the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company's executives and key employees. The independent Board members evaluate the performance of the CEO and other senior management measured against the Company's business goals and industry compensation levels.

Board Committees

The Board has no committees other than the audit committee.

Assessments

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board believes that such assessments are more appropriate for companies of a larger size and complexity which may have significantly larger boards of directors. Where appropriate the chair of the Board meets with individual directors to discuss their contribution and that of the other directors. Arising from such meetings, if appropriate, the Board considers procedural and substantive changes to increase the effectiveness of the Board, its committees and members.

AUDIT COMMITTEE

National Instrument 52-110 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 auditor, as set forth in the following.

Audit Committee Disclosure

Pursuant to Section 224(1) of the British Columbia *Business Corporations Act* and NI 52-110 the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the

Company as a venture issuer, to disclose annually in its information circular certain information concerning the make up of its audit committee and its relationship with its independent auditor.

The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by (a) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (b) reviewing the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the audit committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Company's Board. The audit committee is also mandated to review and approve all material related party transactions.

Composition of the Audit Committee

The audit committee is comprised of the following members: Ramon Perez, Javier Reyes and Manuel Gomez. All of the audit committee members are considered to be financially literate as defined by NI 52-110 in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the audit committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the audit committee designate a chair by a majority vote of the full audit committee membership.

The following table (and notes thereto) sets out the names of the Audit Committee members and their relevant experience and qualifications:

Audit Committee Member	Relevant Experience and Qualifications
Ramon Perez Non-Independent Member of the Board Financially Literate	Prior to the Company, Mr. Perez was the Vice President at Carrelton Asset Management Inc., a natural resource focused asset manager. Mr. Perez oversaw and managed multiple assets in multiple companies in the mining sector. Prior to Carrelton, Mr. Perez was a Senior Analyst at Salomon Smith Barney Asset Management. Mr. Perez has an MBA from the University of Miami.
Javier Reyes Independent Member of the Board Financially Literate	Mr. Javier Reyes began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the Founder, President and CEO of the Antares Capital Management and Cygnus Asset Management, and manages three hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes has also held the following positions: CEO of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997). Mr. Reyes holds a Bachelor's Degree in Economics and Business Administration and also holds a Masters in Finance.

Manuel Gomez Independent Member of the Board Financially Literate	Mr. Manuel Gomez holds a Bachelor of Accounting degree from Instituto Tecnológico y de Estudios Superiores de Monterrey, and an MBA from City University in Zurich. Mr. Gomez received his CFA in 1993. Mr. Gomez worked as a Fund manager at UBS where he was responsible for a US\$500 million fund investing in Spain and Portugal. He was a Senior Vice President at the Credit Suisse Group and in 2008 founded Horizon Asset Management where he acts as CEO. Mr. Gomez has been involved in mining and alternative investments sectors since 2008.
--	---

The Audit Committee's Charter

The Company has adopted a Charter of the audit committee of the Board a copy of which is attached hereto as Schedule "A".

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) 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 auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) to 6.1.1(6) relate to the composition of the Committee. 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.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the audit committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor 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 auditor 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 auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

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

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
April 30, 2017 ⁽¹⁾	65,000	Nil	Nil	Nil
April 30, 2016	38,870	Nil	Nil	Nil

⁽¹⁾ The fees that will be paid by the Company to its auditor for the fiscal year ended April 30, 2017 is based on an estimated figure.

Exemption

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.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year will be available online at www.sedar.com. Shareholders may request additional copies by (i) mail to Suite 1201-1166 Alberni Street, Vancouver, British Columbia V6E 3Z3; or (ii) telephone to: 604 306-8245.

DIRECTORS' APPROVAL

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 3rd day of August, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

"Curtis Turner"

Curtis Turner
Chief Executive Officer

Schedule "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The Audit Committee (the "Committee") of **Candelaria Mining Corp.** ("the Company") is a committee of the Board of Directors with the responsibility under the governing legislation of the Company to review the financial statements, accounting policies and reporting procedures of the Company.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any governmental body or the public, the systems of internal controls of the Company regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of the Company generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of the Company.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of the Company.
- Monitor the independence and performance of the auditor of the Company (the "Auditor") and the internal audit function of the Company.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

2. COMPOSITION

- The Committee shall be comprised of three or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of the Company are listed.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a "*financial expert*" in accordance with applicable laws and all requirements of the stock exchanges on which shares of the Company are listed.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

3. MEETINGS

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately. In addition, the Committee shall meet with the Auditor and management at least quarterly to review the financial statements of the Company.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board of Directors.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.
- Subject to the provisions of the governing legislation of the Company and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

4. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of Directors of the Company any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.
- Review the interim un-audited quarterly financial statements and the annual audited financial statements, MD&A and the related press releases of the Company and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the un-audited quarterly financial statements and annual audited financial statements of the Company are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of the Company, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- Review any reports or other financial information of the Company submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of the Company.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of the Company and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of the Company with the officers and auditors of the Company and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of the Company and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of the Company upon shareholder approval of the appointment, including the resolution of disagreements between management and the external auditor regarding financial reporting, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to the Company. In this regard, the Committee shall, among other things, receive all reports from the Auditor of the Company, including timely reports of:
 1. all critical accounting policies and practices to be used;
 2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of the Company; and
 3. other material written communications between the Auditor and the management of the Company, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "*independent*" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and the Company, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.

- Satisfy itself, on behalf of the Board of Directors, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "*unresolved differences*" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of the Company to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of the Company.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of the Company and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that the Company has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of the Company and other "*risk management*" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of the Company, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of the Company and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by the Company regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of the Company as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of the Company, any legal matter that could have a significant impact on the financial statements of the Company.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the Articles of the Company and governing law, as the Committee or the Board of Directors deem necessary or appropriate.

Schedule "B"

CHANGE OF AUDITOR PACKAGE

CANDELARIA MINING CORP.

TO: **BC Securities Commission
Alberta Securities Commission
Ontario Securities Commission
TSX Venture Exchange**

AND TO: **Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants**
Suite 1500
1140 West Pender Street, Vancouver, BC V6E 4G1

AND TO: **Grant Thornton LLP, Chartered Professional Accountants**
Suite 1600, Grant Thornton Place
333 Seymour Street, Vancouver, BC V6B 0A4

RE: **NOTICE OF CHANGE OF AUDITORS (THE “NOTICE”)**

NOTICE IS HEREBY GIVEN pursuant to Part 4 of National Instrument 51-102 (“NI 51-102”) that, on the advice of the Audit Committee of Candelaria Mining Corp. (the “**Company**”), the Board of Directors of the Company resolved that:

- a) Management of the Company would request the resignation of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company effective July 21, 2017.
- b) Grant Thornton LLP, Chartered Professional Accountants be appointed as auditor of the Company to be effective July 21, 2017.

In accordance with Part 4 of NI 51-102 we confirm that:

- a) Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants was asked to resign as auditor of the Company to facilitate the appointment of Grant Thornton LLP, Chartered Professional Accountants; the request was accepted on July 21, 2017;
- b) Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants has not expressed any reservation or modified opinion in its reports for the most recently completed fiscal year of the Company;
- c) The resignation Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants and appointment of Grant Thornton LLP, Chartered Professional Accountants as auditor of the Company were considered and approved by the Audit Committee and the Board of Directors of the Company;
- d) No reportable events as defined in NI 51-102 have occurred between the Company and Dale Matheson Carr-Hilton Labonte LLP.

Dated this 21st day of July, 2017

Candelaria Mining Corp.

“Sam Wong”

Per: _____
Sam Wong
Chief Financial Officer



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

200 – 1688 152 Street
Surrey, BC V4A 4N2
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

July 26, 2017

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9th Floor - 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, ON M5H 3S8

Alberta Securities Commission
4th Floor - 300 - 5th Avenue S.W.
Calgary, AB T2P 3C4

Dear Sirs:

Re: Candelaria Mining Corp.
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with us being asked to resign as auditors of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated July 21, 2017, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in black ink that reads "DMCL".

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

cc: TSX Venture Exchange



Grant Thornton

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, AB
T2P 0R4

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC
V7Y 1L2

Ontario Securities Commission
20 Queen Street West
Toronto, ON
M5H 3S8

TSX Venture Exchange
P.O. Box 11633
2700 - 650 West Georgia Street
Vancouver, BC
V6B 4N9

Grant Thornton LLP
Suite 1600, Grant Thornton Place
333 Seymour Street
Vancouver, BC
V6B 0A4
T (604) 687-2711
F (604) 685-6569
www.GrantThornton.ca

July 24, 2017

Dear Sirs / Mesdames:

**Re: Candelaria Mining Corp. (the "Company")
Notice of Change of Auditor**

This is to advise that in connection with National Instrument 51-102 – *Continuous Disclosure Obligations*, we have read the Company's notice of change of auditors dated July 21, 2017 and based on our knowledge at the time, we are in agreement with the statements contained in the notice.

Yours sincerely,
Grant Thornton LLP

Chartered Professional Accountants

cc: Candelaria Mining Corp.