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## **INFORMATION CIRCULAR**

As at May 18, 2018, unless otherwise noted

### **FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JUNE 28, 2018**

#### **SOLICITATION OF PROXIES**

This information circular is furnished in connection with the solicitation of proxies by the management of Excelsior Mining Corp. (“**Excelsior**” or the “**Company**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Shareholders of the Company to be held at the time and place and for the purposes set forth in the Notice of Meeting and at any adjournment thereof.

#### **PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed Instrument of Proxy is solicited by management of the Company (“Management”).** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company does not reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals, authorization to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying Instrument of Proxy are directors or officers of the Company and are nominees of Management. **A Shareholder has the right to appoint a person to attend and act for him/her on his/her behalf at the Meeting other than the persons named in the enclosed Instrument of Proxy. To exercise this right, a Shareholder should strike out the names of the persons named in the Instrument of Proxy and insert the name of his/her nominee in the blank space provided, or complete another proper form of Instrument of Proxy. The completed Instrument of Proxy should be deposited with the Company’s Registrar and Transfer Agent, TSX Trust Company, located at 301 – 100 Adelaide Street West, Toronto, ON, M5H 4H1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The Instrument of Proxy must be dated and be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

**In addition to revocation in any other manner permitted by law, a Shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time**

aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Instrument of Proxy is required to be executed as set out in the notes to the Instrument of Proxy) and either depositing it at the place and within the time aforesaid or with the Chair of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the Scrutineer at the Meeting as a Shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

## NON-REGISTERED HOLDERS OF COMPANY'S SHARES

**Only Shareholders whose names appear in the Company's Central Securities Register (the "Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their common shares of the Company ("Common Shares") in their own name ("Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting.** Beneficial Shareholders who complete and return an Instrument of Proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is similar to that provided to Registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Instrument of Proxy to the clearing agencies and intermediaries for onward distribution. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Instrument of Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receive such a form and wish to vote at the Meeting, the Beneficial Shareholder should strike out the Management proxyholder's name in the form and insert the Beneficial Shareholder's name in the blank provided. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and requests Beneficial Shareholders to return the proxy forms to Broadridge. 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. **A Beneficial Shareholder**

receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

## **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

**On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.**

**If no choice is specified on the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to the matter upon the proxyholder named on the Instrument of Proxy. In the absence of any direction in the Instrument of Proxy, it is intended that the proxyholder named by Management in the Instrument of Proxy will vote the shares represented by the proxy in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular.** The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting.

At the time of printing of this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgement of the nominee.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended December 31, 2017 will be presented to the Shareholders at the Meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

At May 18, 2018, the Company had 206,349,152 Common Shares and no non-voting common shares (“Non-Voting Common Shares”) issued and outstanding.

### **Common Shares**

May 18, 2018 has been determined as the record date as of which holders of Common Shares or their duly appointed proxies are entitled to receive notice of and attend and to one vote per common share at the Meeting. Shareholders desiring to be represented by proxy at the Meeting must deposit their proxies at the place and within the time set forth in the notes to the Instrument of Proxy in order to entitle the person duly appointed by the proxy to attend and vote thereat.

### **Non-Voting Common Shares**

The Non-Voting Common Shares are restricted securities within the meaning of National Instrument 51-102. Non-Voting Common Shares do not carry the right to vote at any meetings of the Shareholders. Non-voting shares may be converted at the option of the holder into Common Shares on the basis of one (1) non-voting common share for one (1) common share of the Company. As the Non-Voting Common Shares are convertible into Common Shares, pursuant to National Instrument 62-104, a take-over bid for the Common Shares must also be made to the holders of the Non-Voting Common Shares.

### **Quorum and Significant Shareholders**

The quorum for a meeting of Shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Other than as set forth below, to the knowledge of the directors or executive officers of the Company, as at May 18, 2018, no Shareholder beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to the Common Shares of the Company.

Greenstone Resources L.P. (“**Greenstone Resources**”), through its affiliates, Greenstone Excelsior Holdings L.P. (“**Greenstone No. 1**”) and Greenstone Co-Investment No. 2 (Excelsior) L.P. (“**Greenstone No. 2**”) is the beneficial owner of 100,878,097 Common Shares representing approximately 48.89% of the issued and outstanding Common Shares.

### **FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of the ordinary resolution fixing the number of directors on the board of directors of the Company (the “Board of Directors”) at seven (7). Although Management is nominating seven (7) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting. Each director of the Company is elected annually and holds office until the next Annual General Meeting unless that person ceases to be a director before then. Management of the Company proposes to nominate the persons herein listed for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, the Common Shares represented by proxy will, on a poll, be voted for the nominees herein listed. **MANAGEMENT OF THE COMPANY 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 MANAGEMENT TO VOTE THE PROXY ON ANY POLL FOR THE ELECTION OF ANY PERSON OR PERSONS AS DIRECTOR UNLESS THE SHAREHOLDER HAS SPECIFIED OTHERWISE IN THE PROXY. UNLESS AUTHORITY TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF ALL OF THE NOMINEES.**

The Board of Directors of the Company has adopted a policy (“**Majority Voting Policy**”) stipulating that if the Common Shares voted in favour of the election of a director nominee at a meeting of the Company’s shareholders represent less than a majority of the total Common Shares voted for and voted as withheld at the meeting, the director nominee will submit his resignation promptly after such meeting to the Nominating and Corporate Governance Committee’s consideration. After reviewing the matter, the Nominating and Corporate Governance Committee will make a recommendation to the Board, and the Board’s subsequent decision to accept or reject the resignation offer will be publicly disclosed.

With the exception of exceptional circumstances that would warrant the continued service of the subject director on the Board of Directors, the Corporate Governance Committee shall be expected to accept and recommend acceptance of the resignation by the Board of Directors. Within 90 days following the applicable meeting of the Company’s shareholders, the Board of Directors shall make its decision, on the Corporate Governance Committee’s recommendation and in making its decision the Board of Directors shall be required to accept the resignation of the Subject Director, absent exceptional circumstances. The director nominee will not participate in any Nominating and Corporate Governance Committee or Board deliberations regarding the resignation offer. The Majority Voting Policy does not apply in circumstances involving contested director elections.

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number

of Common Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

<b>Name, Province or State and Country of Ordinary Residence of Nominee<sup>(9)</sup> and Present Positions with the Company</b>	<b>Principal Occupation and, if not a Presently Elected Director, Occupation during the last Five Years<sup>(9)</sup></b>	<b>Period from which Nominee has been a Director</b>	<b>Number of Common Shares Held<sup>(1)(2)</sup></b>
Mark J. Morabito Director, Chair British Columbia, Canada	Chair & Chief Executive Officer of King & Bay West Management Corp.	April 4, 2007	1,922,166
Stephen Twyerould <sup>(6)</sup> Director, President, CEO Arizona, USA	President and Chief Executive Officer of the Company.	October 14, 2010	4,676,876
Fred DuVal Director Arizona, USA	President of DuVal and Associates since 2001.	N/A	Nil
Colin Kinley <sup>(4)(6)</sup> Director Kansas, USA	President and CEO of Kinley Exploration LLC.	October 14, 2010	Nil
Jim Kolbe <sup>(5)</sup> Director Arizona, USA	Senior Advisor, McLarty Associates, Strategic Consulting Firm / President, JTK Consulting, Inc.	February 15, 2012	Nil
Michael Haworth <sup>(3)(6)(8)</sup> Director United Kingdom	Managing Partner with Greenstone Capital LLP.	September 5, 2014	Nil <sup>(7)</sup>
Lord Robin Renwick <sup>(5)(8)</sup> Director United Kingdom	Director, Stonehage Fleming.	October 20, 2014	Nil

(1) Common shares beneficially owned, directly and indirectly, or over which control or direction is exercised, at the date hereof, based upon the information furnished to the Company by individual directors and officers. Unless otherwise indicated, such Common Shares are held directly. These figures do not include Common Shares that may be acquired on the exercise of any share purchase warrants or stock options held by the respective directors or nominees.

(2) The directors and nominees, as a group beneficially own, directly or indirectly, 6,599,042 Common Shares of the Company representing approximately 3.2% of the total issued and outstanding Common Shares of the Company.

(3) Current Member of the Audit Committee of the Company. The other current members are Steven Lynn and Jay Sujir, both of whom will not be standing for re-election. The Audit Committee will be reconstituted post-Meeting.

(4) Current Member of the Compensation Committee of the Company. The other current members are Steven Lynn and Jay Sujir, both of whom will not be standing for re-election. The Compensation Committee will be reconstituted post-Meeting.

(5) Current Member of the Corporate Governance and Nominating Committee of the Company. The other current member is Steven Lynn, who will not be standing for re-election. The Corporate Governance and Nominating Committee will be reconstituted post-Meeting.

(6) Current Member of the Project Steering Committee of the Company.

(7) Michael Haworth is a Managing Member of Greenstone Capital LLP and a Director of Greenstone Management Ltd., the General Partner to Greenstone Resources. Greenstone Resources, through its affiliates Greenstone No. 1 and Greenstone No. 2, is the beneficial owner of 100,878,097 Common Shares representing approximately 48.89% of the issued and outstanding Common Shares.

(8) Mr. Haworth and Lord Renwick are also nominees of Greenstone Resources which has a contractual right to appoint up to two director nominees to the Board of Directors. While Greenstone holds Common Shares which exceed 10% of the Common Shares outstanding, it has the right to appoint one director nominee (currently Mr. Haworth). While Greenstone holds Common Shares which exceed 15% of the Common Shares outstanding, it has the right to appoint a second director

nominee, provided that such director nominee is independent of both the Company and Greenstone (currently Lord Renwick).

- (9) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

Pursuant to the applicable securities legislation, the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditors.

## **PENALTIES AND SANCTIONS**

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity:

- (a) was the subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days.

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any company that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has individually, within the 10 years prior to 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, officer or Shareholder.

No proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, the current Auditors of the Company, were appointed on May 12, 2015.

The persons named in the enclosed Instrument of Proxy will vote for the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as Auditors of the Company, to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the directors.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed under the heading “*Particulars of Other Matters to be Acted Upon*”, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or appointment of auditors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed below and under the headings “*Fixing the Number of Directors*” and “*Particulars of Other Matters to be Acted Upon*”, and other than transactions carried out in the ordinary course of business of the Company or its subsidiary, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the most recently completed financial year of the Company or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or its subsidiary.

On December 19, 2017, Excelsior announced that an affiliate of Greenstone Resources intended to acquire by way of a non-brokered private placement (the “**2017 Private Placement**”), 16,467,200 Common Shares of the Company at a price of CDN\$1.00 per share for gross proceeds of CDN\$16,467,200. On December 22, 2017, the Company entered into a Subscription Agreement with Greenstone No. 2 with respect to the 2017 Private Placement.

On January 22, 2018, Excelsior announced the closing of the 2017 Private Placement pursuant to which Greenstone No. 2 purchased 16,467,200 Common Shares of Excelsior at a price of CDN\$1.00 per Common Share for total gross proceeds of CDN\$16,457,200.

As result of the closing of the 2017 Private Placement, Greenstone now holds a total of 100,878,097 Common Shares, which represents approximately 48.89% of Excelsior’s issued and outstanding Common Shares.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The Company’s Statement of Executive Compensation for the year ended December 31, 2017 is attached as Schedule “B” to this Information Circular.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Company are authorized for issuance as of December 31, 2017:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	16,486,000	\$0.26	1,804,000
Equity compensation plans not approved by securityholders <sup>(1)</sup>	Nil	Nil	Nil
<b>Total</b>	<b>16,486,000</b>	<b>\$0.26</b>	<b>1,840,000</b>

<sup>(1)</sup> At December 31, 2017, the Company had a “fixed” stock option plan that reserved for issuance 17,966,400 of the Common Shares for issuance as stock options.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former director, executive officer or senior officer of the Company, employee or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such director, executive officer or senior officer, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

## MANAGEMENT CONTRACTS

Effective May 17, 2010, Excelsior engaged King & Bay West of Suite 1240, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, to provide services and facilities to the Company. King & Bay West is a private company which is owned by Mark Morabito, Director and Chair of the Company. The following are the executive officers of King & Bay West, all of whom are residents of British Columbia, Canada: Mr. Mark Morabito, Chair & CEO and Ms. Sheila Paine, Secretary. King & Bay West provides the Company with administrative and management services. The services provided by King & Bay West include shared facilities, accounting, corporate communications, corporate secretarial, legal and corporate development services. The fees for these management services are determined and allocated to the Company based on the cost or value of the services provided to the Company as determined by King & Bay West, and the Company reimburses King & Bay West for such costs on a monthly basis. During the financial year ended December 31, 2017 the Company incurred fees of \$539,685.30 (excluding taxes) to King & Bay West. Of this amount \$421,502.92 was for services provided to the Company by King & Bay West personnel and \$118,182.39 was for overhead and third-party costs incurred by King & Bay West on behalf of the Company.

## AUDIT COMMITTEE

For information regarding the Audit Committee, see the Company’s annual information form (the “AIF”) for the year ended December 31, 2017 under the heading, “Audit Committee”, including a copy of the audit committee charter which is attached to the AIF as Schedule “A”. The AIF is available under the Company’s profile at [www.sedar.com](http://www.sedar.com). During the Company’s most recently completed financial year, the members of

the Audit Committee were Michael Haworth, Colin Kinley and Jay Sujir. Subsequent to year-end, Steven Lynn was appointed as Chair of the Audit Committee in replacement of Colin Kinley.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

On June 30, 2005, the Canadian Securities Administrators introduced in final form National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”). The Company has reviewed its own corporate governance practices in light of the NP 58-201 guidelines. In certain cases, the Company’s practices comply with NP 58-201, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore certain guidelines have not been adopted. Set out in Schedule “A” is a description of certain corporate governance practices of the Company, as required by NI 58-101.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Approval and Ratification of Amended Stock Option Plan**

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve an amended stock option plan for the Company (the “**2018 Plan**” or the “**Plan**”) to replace the Company’s existing stock option plan (the “**2017 Plan**”) which was last approved by Shareholders at the Company’s annual and general meeting of Shareholders held September 8, 2017.

The 2017 Plan is a “fixed” plan reserving for issuance a total of 17,966,400 Common Shares for issuance upon the exercise of stock options. The 2018 Plan reserves for issuance a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options under the 2018 Plan.

The 2018 Plan is an evergreen plan which provides that if any option has been exercised, then the number of Common Shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the 2018 Plan. The 2018 will operate in conjunction with the proposed Restricted Share Unit Plan (the “**RSU Plan**”) and Performance Share Unit Plan (the “**PSU Plan**”). The 2018 Plan, RSU Plan and PSU Plan are collectively referred to as the “**Security-Based Compensation Plans**”.

The key provisions of the Plan can be summarized as follows:

- (a) The maximum number of Common Shares that may be reserved for issuance for all purposes under the 2018 Plan, together with all other Security-Based Compensation Plans, is a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of stock options under the 2018 Plan. However, if any option has been exercised, then the number of Common Shares into which such option was exercised shall become available to be issued under all Security-Based Compensation Plans.
- (b) As at December 31, 2017 the Company had options outstanding that will result in 16,486,000 Common Shares being issuable upon the exercise of such options, which represents approximately 8.68% of the number of issued and outstanding Common Shares at December 31, 2017.
- (c) The exercise price per Common Share shall be determined by the Board of Directors at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. In the event that the Common Shares are not listed and posted for trading on any stock exchange or other quotation system, the exercise price shall be the fair market

value of the Common Shares as determined by the Board of Directors in its sole discretion.

- (d) The Plan provides that options may be granted to directors, employees, corporations that have a right to nominate a director to the Board of Directors, and consultants of the Corporation or any of its designated affiliates.
- (e) The Plan gives discretion to establish, and modify vesting provisions to the Board of Directors, or a committee established thereby.
- (f) The Plan provides that all outstanding options will immediately vest upon a change of control.
- (g) The Plan provides that where a participant is terminated for any reason other than cause or death, options may be exercised no later than 90 days after the termination date, in the case of termination by reason of death, no later than 12 months following the date of death or disability, by the legal representative(s) of the estate of the participant, and in the case of termination for cause, options expire immediately.
- (h) Any amendment to any provision of the Plan shall be subject to any necessary approvals by any stock exchange or regulatory body having jurisdiction over the securities of the Company. The Plan will require Shareholder approval of certain amendments in accordance with the policies of the TSX, however, the Board of Directors has the discretion to make the following amendments, which it may deem necessary without having to obtain Shareholder approval:
  - (i) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
  - (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the Plan;
  - (iii) to change the persons who qualify as participants under the Plan;
  - (iv) to change any vesting provisions of options;
  - (v) to change the termination provisions of the options or of the Plan which does not entail an extension beyond the original expiry date of the options; and
  - (vi) to add, or amend the terms of, a cashless exercise feature to the Plan, providing for the payment in cash or securities on the exercise of options;

provided, however, that:

- (vii) no such amendment of the Plan may be made without the consent of such affected Participant (as defined in the Plan) if such amendment would adversely affect the rights of such affected Participant under the Plan; and
- (viii) Shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment that results in:

1. an increase in the number of shares issuable under options granted pursuant to the Plan;
2. a reduction in the exercise price of an option;
3. an extension of the term of an option granted under the Plan benefiting an insider (within the meaning of the rules of the TSX) of the Company;
4. a change to the insider participation limit set forth in the Plan; or
5. a change to amending provision of the Plan.

Additionally, the 2018 Plan contains the following provisions:

- (a) The number of Common Shares issuable to any individual under any Security-Based Compensation Plan of the Company shall not, within a one-year period, exceed 5% of the number of Common Shares outstanding immediately prior to the subject grant.
- (b) The maximum term for stock options issued pursuant to the Plan cannot exceed 10 years, subject to an automatic extension in the event that the expiry of the term of an option falls within a black out period.
- (c) The number of Common Shares: (i) issued to insiders of the Company, within any one-year period, and (ii) issuable to insiders of the Company, at any time, under the Plan, or when combined with all of the Company's other Security-Based Compensation Plans, will not exceed 10% of the Company's total issued and outstanding Common Shares.
- (d) An option is personal to an optionee and non-assignable, subject to limited exceptions as set out in the Plan.
- (e) In the event of a Change in Control (as defined in the Plan), if the surviving corporation fails to continue or assume the obligations with respect to each option or fails to provide for the conversion or replacement of each option with an equivalent award, then all options that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.
- (f) The Plan allows the Company to withhold from any remuneration otherwise payable to a participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of their participation in the Plan. This provision of the Plan is necessary as a result of certain proposed amendments to the *Income Tax Act* (Canada) relating to the taxation of share options which came into effect on January 1, 2011.
- (g) The Plan contains a cashless exercise feature whereby, at the sole discretion of the Company, an option that is eligible for exercise may be exercised on a cashless basis instead of a participant making a cash payment for the aggregate exercise price of the options. There are two options for a cashless exercise of options that the Company has made available:
  - a. *Broker assisted cashless exercise*: The Company shall issue directly to the participant's broker the number of Common Shares in respect of such options

exercised for cash and the participant's broker shall, at the election of the participant: (i) sell at market, and retain the proceeds of, a sufficient number of Common Shares to cover the aggregate purchase price of the Common Shares and any withholding obligations in respect of which the option has been exercised, with any cash balance to be delivered to the participant and any remaining Common Shares held by the participant's broker in trust for, or delivered as directed by, the participant; or (ii) sell at market all of the Common Shares in respect of which the option has been exercised and deliver to the participant the cash balance remaining after deducting the aggregate purchase price of such Common Shares and any withholding Obligations.

- b. *Exchange for Substituted Rights:* The participant relinquishes his options in return for a substituted right to acquire from the Company a number of Common Shares determined by the in-the-money amount of option. The in-the-money amount of the option is divided by the market price at the time of exercise and the participant receives a net amount of Common Shares without any cash payment to the Company, other than for withholding obligations.

As at December 31, 2017, the Company had options outstanding that will result in 16,486,000 Common Shares being issuable upon the exercise of such options, which represented approximately 8.68% of the number of issued and outstanding Common Shares at December 31, 2017 and 1,480,400 options available to be granted under the 2017 Plan, representing approximately 0.78% of the issued and outstanding Common Shares at December 31, 2017.

Assuming the approval of the 2018 Plan, RSU Plan and PSU Plan, 3,098,915 Common Shares will be available to be granted under the Company's Security-Based Compensation Plans, representing approximately 1.5% of the current number of issued and outstanding Common Shares.

The annual burn rate for the Company's Security-Based Compensation Plans for the three most recently completed financial years is set out in the table below:

<b>Fiscal Year</b>	<b>Plan</b>	<b>Number of Securities Granted During Fiscal Year</b>	<b>Weighted Average Number of Securities Outstanding</b>	<b>Burn Rate</b>
2017	Stock Option Plan	1,100,000	168,111,425	0.65%
2016	Stock Option Plan	690,000	141,472,091	0.49%
2015	Stock Option Plan	4,800,000	116,470,535	4.12%

The rules of the TSX require that, if a listed issuer has a stock option plan that does not have a fixed maximum aggregate number of securities issuable under such plan (including an evergreen plan), the shareholders of the listed issuer must approve and re-affirm the unallocated options under the plan every three years. Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the 2018 Plan and all unallocated options under such plan (the "**Stock Option Plan Resolution**"). The Stock Option Plan Resolution requires the approval of a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. At the Meeting Shareholders will be asked to consider and approve the following Stock Option Plan Resolution, with or without modification:

If the Stock Option Plan Resolution is passed, this approval will be effective until June 28, 2021. If approval is not obtained at the Meeting, options which have not been allocated as of June 28, 2018 will not be

available for grant. Previously allocated options will be unaffected, but will not be available to be reallocated.

At the Meeting Shareholders will be asked to consider and approve the following Stock Option Plan Resolution, with or without modification:

“RESOLVED, as an Ordinary Resolution, that:

1. The 2018 Plan and all unallocated options issuable pursuant the 2018 Plan be and are hereby approved and authorized until June 28, 2021, being the date that is three years from Shareholder approval of the 2018 Plan;
2. The Company be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the 2018 Plan entitling the option holders to purchase Common Shares of the Company;
3. The Company be and is hereby authorized to abandon or terminate all or any part of the adoption of the 2018 Plan, if the Board of Directors of the Company deems it appropriate and in the best interest of the Company to do so; and
4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

The foregoing resolution must be approved by a simple majority of Shareholders.

The full text of the 2018 Plan will be available for review at the Meeting and may be obtained at the offices of the Company located at Suite 1240, 1140 West Pender Street, Vancouver British Columbia, V6E 4G1, or by contacting the Company by telephone at (604) 681-8030, at any time before the Meeting.

Management recommends that Shareholders vote in favour of the resolution to approve the 2018 Plan. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the Stock Option Plan Resolution at the Meeting.**

#### **Approval of Restricted Share Unit Plan**

In order to further align the interests of the Company’s senior executives, key employees, consultants and directors with those of the Shareholders, the Company has adopted its RSU Plan. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Company’s RSU Plan.

Restricted share units (“RSUs”) are a bookkeeping entry, with each RSU having the same value as a Common Share. The number of RSUs awarded is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Common Shares from treasury equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

## Description of RSU Plan

The description of the RSU Plan set forth below is subject to and qualified in its entirety by the provisions of the RSU Plan. Reference should be made to the provisions of the RSU Plan with respect to any particular provision described below.

### Eligibility

- RSUs may be granted to a person who is a director, officer, employee, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each, a “Participant”).

### Limitations

- The maximum aggregate number of Common Shares issuable to Participants at any time pursuant to the RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed 10% of the issued and outstanding Common Shares at the time of a grant of the RSU. However, if any RSU has been vested and redeemed, then the number of Common Shares into which such RSU was redeemed shall become available to be issued under all Security-Based Compensation Plans.
- The number of Common Shares issuable to any individual under any Security-Based Compensation Plan of the Company shall not, within a one-year period, exceed 5% of the number of Common Shares outstanding immediately prior to the subject grant.
- The number of Common Shares: (i) issued to insiders of the Company, within any one-year period, and (ii) issuable to insiders of the Company, at any time, under the RSU Plan, or when combined with all of the Company’s other Security-Based Compensation Plans, will not exceed 10% of the Company’s total issued and outstanding Common Shares.

### Fair Market Value

- At any particular date, the market value of a Common Share at that date will be the closing price of the Common Shares on the principal stock exchange where the Common Shares are listed for the trading day immediately preceding such date; provided that if the Common Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Common Shares as determined by the Board.

### Vesting

- RSUs shall vest and be subject to the terms and conditions of the RSU Plan and such other terms and conditions, in each case, as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, (i) shorten the vesting period of any RSUs or waive any conditions applicable to such RSUs and (ii) determine on the grant date of RSUs that such RSUs may not be satisfied by the issuance of Common Shares and such RSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the RSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each RSU or fails to provide for the conversion or replacement of each RSU with an equivalent award, then all RSUs credited to a Participant’s account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.
- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be

extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash.

### Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant without cause or death of a Participant: (i) all RSUs credited to the Participant's account which have vested may be redeemed; and (ii) all RSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.
- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant for cause, all RSUs credited to the Participant's account, whether vested or unvested, shall be cancelled and no further payments shall be made under the RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.

### Assignability and Transferability

- RSUs are not assignable or transferable and payments with respect to vested RSUs may only be made to the Participant, other than in the case of the death of the Participant.

### Amendments to the RSU Plan

- The RSU Plan provides that the Board may amend the RSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the RSU Plan which:
  - (i) increases the fixed number of Common Shares issuable pursuant to the RSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);
  - (ii) amends the definition of "Participant" so as to broaden the categories of persons eligible to receive RSUs;
  - (iii) amends the provisions of the RSU Plan with respect to the assignability and transferability of units; or
  - (iv) amends the provisions of the RSU plan so as to increase the ability of the Board of Directors to amend or modify the RSU Plan.
- Examples of amendments to the RSU Plan which could be made without the approval of Shareholders include the following:
  - (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;
  - (ii) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the RSU Plan which may be incorrect or incompatible with any other provision thereof;
  - (iii) amendments, modification or termination of any outstanding RSU, including, but not limited to, substituting another award of the same or of a different type; and

- (iv) changing the vesting provisions of the RSU Plan or any RSU, including to provide for accelerated vesting.

### Outstanding RSUs

As at the date of this Information Circular, the Company has not granted any RSUs and as such, no RSUs have been satisfied through the issuance of Common Shares. No RSUs will be granted until the Company has received TSX and shareholder approval of the RSU Plan.

### RSU Plan Resolution

At the Meeting, Shareholders will be asked to consider and approve the RSU Plan Resolution in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The restricted unit plan of the Company, dated effective May 21, 2018 (as may be amended, varied or supplemented from time to time) (the “**RSU Plan**”) and all unallocated RSUs issuable pursuant to the RSU Plan, be and is hereby ratified, confirmed and approved until June 28, 2021, being the date that is three years from Shareholder approval of the RSU Plan;
2. The Company be and is hereby authorized to issue restricted share units (“**RSUs**”) pursuant to and subject to the terms and conditions of the RSU Plan entitling the holders to receive Common Shares of the Company or a cash payment equal to the number of vested RSUs (as set out in the RSU Plan).
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

The foregoing resolution must be approved by a simple majority of Shareholders.

The full text of the RSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

**Management recommends that Shareholders vote in favour of the resolution to approve the RSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the RSU Plan.**

### Approval of Performance Stock Unit Plan

In order to further align the interests of the Company’s senior executives, key employees and consultants with those of the Shareholders, the Company has adopted its PSU Plan. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Company’s PSU Plan.

Performance share units (“**PSUs**”) are a bookkeeping entry, with each PSU having the same value as a Common Share. The number of PSUs awarded and the target milestones for vesting of PSUs, including performance and/or time targets, is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Common Shares from treasury equal to the number of PSUs vesting, or (b) a cash payment equal to the number of vested PSUs multiplied by the fair

market value of a Common Share, calculated as the closing price of the Common Shares on the TSX for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

### **Description of PSU Plan**

The description of the PSU Plan set forth below is subject to and qualified in its entirety by the provisions of the PSU Plan. Reference should be made to the provisions of the PSU Plan with respect to any particular provision described below.

#### Eligibility

- PSUs may be granted to a person who is an officer, employee or consultant of the Company or of a related entity of the Corporation (each, a **“Participant”**).

#### Limitations

- The maximum aggregate number of Common Shares issuable to Participants at any time pursuant to the PSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed 10% of the issued and outstanding Common Shares at the time of a grant of the PSU. However, if any PSU has been vested and redeemed, then the number of Common Shares into which such PSU was redeemed shall become available to be issued under all Security-Based Compensation Plans.
- The number of Common Shares issuable to any individual under any Security-Based Compensation Plan of the Company shall not, within a one-year period, exceed 5% of the number of Common Shares outstanding immediately prior to the subject grant.
- The number of Common Shares: (i) issued to insiders of the Company, within any one-year period, and (ii) issuable to insiders of the Company, at any time, under the PSU Plan, or when combined with all of the Company’s other Security-Based Compensation Plans, will not exceed 10% of the Company’s total issued and outstanding Common Shares.

#### Fair Market Value

- At any particular date, the market value of a Common Share at that date will be the closing price of the Common Shares on the principal stock exchange where the Common Shares are listed for the trading day immediately preceding such date; provided that if the Common Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Common Shares as determined by the Board.

#### Vesting

- PSUs shall vest and be subject to the terms and conditions of the PSU Plan and applicable target milestones, including performance and/or time targets, and such other terms, in each case, as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, (i) alter the applicable target milestones for vesting of any PSUs or waive any other conditions applicable to such PSUs and (ii) determine on the grant date of PSUs that such PSUs may not be satisfied by the issuance of Common Shares and such PSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the PSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each PSU or fails to provide for the conversion or replacement of each PSU with an equivalent award, then all PSUs credited to a Participant’s

account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.

- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash

#### Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant without cause or death of a Participant: (i) all PSUs credited to the Participant's account which have vested may be redeemed; and (ii) all PSUs credited to the Participant's account which have not yet vested shall be redeemable based on the following: (A) if a Participant's performance toward a target milestone can be objectively measured, the vesting of the PSUs shall be in accordance with the proportional achievement of the target milestone as determined by the Board, acting reasonably; and (B) if a Participant's performance toward a target milestone cannot be objectively measured but the Board considers that it can nevertheless measure such performance, the vesting of any PSUs of such Participant shall be determined by the Board, acting reasonably.
- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant for cause, all PSUs credited to the Participant's account, whether vested or unvested, shall be cancelled and no further payments shall be made under the PSU Plan in relation to such PSUs and the Participant shall have no further rights, title or interest with respect to such PSUs.

#### Assignability and Transferability

- PSUs are not assignable or transferable and payments with respect to vested PSUs may only be made to the Participant, other than in the case of the death of the Participant.

#### Amendments to the PSU Plan

- The PSU Plan provides that the Board may amend the PSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the PSU Plan which:
  - (i) increases the fixed number of Common Shares issuable pursuant to the PSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);
  - (ii) amends the definition of "Participant" so as to broaden the categories of persons eligible to receive PSUs;
  - (iii) amends the provisions of the PSU Plan with respect to the assignability and transferability of units; or
  - (iv) amends the provisions of the PSU plan so as to increase the ability of the Board of Directors to amend or modify the PSU Plan.
- Examples of amendments to the PSU Plan which could be made without the approval of Shareholders include the following:
  - (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;

- (ii) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the PSU Plan which may be incorrect or incompatible with any other provision thereof;
- (iii) amendments, modification or termination of any outstanding PSU, including, but not limited to, substituting another award of the same or of a different type; and
- (iv) changing the target milestone and vesting provisions of the PSU Plan or any PSU.

#### Outstanding PSUs

As at the date of this Information Circular, the Company has not granted any PSUs and as such, no PSUs have been satisfied through the issuance of Common Shares. No PSUs will be granted until the Company has received TSX and shareholder approval of the PSU Plan.

#### PSU Plan Resolution

At the Meeting, Shareholders will be asked to consider and approve the PSU Plan Resolution in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The restricted unit plan of the Company, dated effective May 21, 2018 (as may be amended, varied or supplemented from time to time) (the “**PSU Plan**”) and all unallocated PSUs issuable pursuant to the PSU Plan, be and is hereby ratified, confirmed and approved until June 28, 2021, being the date that is three years from Shareholder approval of the PSU Plan;
2. The Company be and is hereby authorized to issue restricted share units (“**PSUs**”) pursuant to and subject to the terms and conditions of the PSU Plan entitling the holders to receive Common Shares of the Company or a cash payment equal to the number of vested PSUs (as set out in the PSU Plan).
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

The foregoing resolution must be approved by a simple majority of Shareholders.

The full text of the PSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

**Management recommends that Shareholders vote in favour of the resolution to approve the PSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the PSU Plan.**

#### **OTHER MATTERS**

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

## ADDITIONAL INFORMATION

**Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders can obtain copies of the Company's financial statements and management discussion and analysis of financial results by sending a request in writing to the Company at 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. Financial information regarding the Company is provided in the Company's audited comparative financial statements for the years ended December 31, 2017 and 2016 and in the accompanying management discussion and analysis, both of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).**

DATED at Vancouver, British Columbia, this 18<sup>th</sup> day of May, 2018.

*"Mark J. Morabito"*

Mark J. Morabito

Chair of the Board of Directors

## SCHEDULE "A"

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES NEW DISCLOSURE RULES AND POLICIES (FORM 58-101F1)

#### 1. BOARD OF DIRECTORS

**(a) Disclose the identity of directors who are independent.**

NP 58-201 recommends that boards of directors of reporting issuers be composed of a majority of independent directors. NI 52-110 sets out the standard for director independence under applicable Canadian securities laws. Under NI 52-110, 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 Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The current Board of Directors consists of eight directors, with four of the eight directors considered independent: Jay Sujir, Steven W. Lynn, Jim Kolbe and Lord Robin Renwick are independent directors under applicable Canadian securities laws. The slate of directors proposed for the Meeting has seven directors, with three of the seven directors considered independent

**(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Mark Morabito was the Company's Executive Chair until January 31, 2016 when he transitioned to become Non-Executive Chair. Mr. Morabito is also the President & CEO of King & Bay West, and therefore is not considered independent. Stephen Twyerould is the President & CEO of the Company and therefore is not considered independent. Michael Haworth is a Managing Member of Greenstone Capital LLP and a Director of Greenstone Management Ltd., the General Partner to Greenstone Resources. Greenstone Resources, through its affiliates Greenstone No. 1 and Greenstone No. 2, is the beneficial owner of 100,878,097 Common Shares representing approximately 48.89% of the issued and outstanding Common Shares and have certain rights under the Greenstone Investor Rights Agreement. Therefore, Mr. Haworth is not considered independent. Mr. Kinley is the principal of Kinley Exploration, LLC. Kinley Exploration, LLC entered into a consulting agreement with Excelsior Arizona to provide consulting services to Excelsior Arizona with respect to the Company's Gunnison Copper Project. Therefore, Mr. Kinley is not considered independent.

**(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

Four of the eight current directors are independent and three of the seven director nominees are independent. As a result, the majority of directors are not independent. The Board of Directors believes that Management is effectively supervised by the independent directors of the Company on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management.

**(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

Currently, the following existing directors or proposed directors serve on the following boards of directors of other public companies:

<b>Director</b>	<b>Public Corporation Board Membership</b>
Mark J. Morabito	Alderon Iron Ore Corp. Canada Jetlines Ltd. Xineoh Technologies Inc.
Jay Sujir	Carlin Gold Corporation Kutcho Copper Corp. Libero Mining Corporation Red Eagle Mining Corporation Roughrider Exploration Limited Uracan Resources Ltd.
Stephen Twyerould	None
Colin Kinley	Coro Mining Corp. Eco Atlantic Oil and Gas
Steven W. Lynn	None
Jim Kolbe	None
Michael Haworth	Adventus Zinc Corp. Coro Mining Corp. Ncondezi Energy Limited Northern Vertex Mining Corp. Zanaga Iron Ore Company Limited
Lord Robin Renwick	None
Fred DuVal	None

- (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

The independent directors do not hold regularly scheduled meetings at which non-independent directors are not in attendance. However, during the course of a directors' meeting, if a matter is more effectively dealt with without the presence of directors who are also members of Management, the non-management directors ask members of Management to leave the meeting, and the independent directors are able to discuss matters in camera. In addition, during meetings of the Audit Committee, executives, officers and other guests attending these meetings may be asked to withdraw from these meetings for a certain period at the end of each meeting to allow the three independent directors on the Audit Committee to discuss issues freely among themselves in camera. During 2017, in camera sessions occurred one of the three Audit Committee meetings.

- (f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

The Chair of the Board of Directors is not an independent director and the Company does not have a lead director. The Board is of the view that appropriate structures and procedures are in place to allow the Board to function independently of management while continuing to provide the Company with the benefit of having a Chair of the Board with extensive experience and knowledge

of the Company’s business. The Nominating and Corporate Governance Committee, which is constituted of a majority of independent directors, is responsible for identifying whether the Board is effective.

To facilitate the Board operating independently of management, the following processes are in place:

- the Board holds in-camera meetings with the non-management directors;
- at Board meetings, members of management, including the Chair, President & Chief Executive Officer and Chief Financial Officer, are not present for the discussion and determination of certain matters;
- under the Company’s Articles any one director may call a Board meeting; and
- in addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate.

**(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.**

Excelsior’s Board meets when it is necessary and desirable to transact business of the Company. Each committee of Excelsior’s Board meets at least once each year or more frequently as deemed necessary by the applicable committee. The Audit Committee meets every quarter. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which Excelsior faces from time to time. During the financial year ended December 31, 2017 Excelsior’s Board met three times, the Audit Committee met three times, the Compensation, Committee met one time, the Project Steering Committee met nine times and the Nominating and Corporate Governance Committee did not meet. The following table provides details regarding director attendance at Board and committee meetings held during each director’s tenure on Excelsior’s Board and his respective committees during the financial year ended December 31, 2017.

<u>Director</u>	<u>Board</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Project Steering Committee</u>
Mark J. Morabito	3 of 3	N/A	N/A	N/A
Stephen Twyerould	3 of 3	N/A	N/A	9 of 9
Jay Sujir <sup>(1)</sup>	2 of 3	2 of 3	1 of 1	N/A
Colin Kinley	3 of 3	3 of 3	1 of 1	7 of 9
Jim Kolbe	3 of 3	N/A	N/A	N/A
Steven Lynn <sup>(1)</sup>	3 of 3	N/A	1 of 1	N/A
Michael Haworth	3 of 3	3 of 3	N/A	8 of 9
Lord Robin Renwick	3 of 3	N/A	N/A	N/A

<sup>(1)</sup> Mr. Sujir and Mr. Lynn are not standing for re-election at the Meeting.

**2. BOARD MANDATE**

**Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The Excelsior Board does not have a written mandate. The duties and responsibilities of Excelsior’s Board are to supervise the management of the business and affairs of Excelsior and to act with a view towards the

best interests of Excelsior. Excelsior's Board delegates day-to-day management of Excelsior to executive officers, relying on them to keep it apprised of all significant developments affecting Excelsior. In discharging its mandate, Excelsior's Board is responsible for the oversight and review of the development of, among other things, the following matters: the strategic planning process of Excelsior; identifying the principal risks of Excelsior's business and ensuring the implementation of appropriate systems to manage these risks; succession planning, including appointing, training and monitoring senior management; a communications policy for Excelsior to facilitate communications with investors and other interested parties; and the integrity of Excelsior's internal control and management information systems.

Excelsior's Board also has the mandate to assess the effectiveness of Excelsior's Board as a whole, its committees and the contribution of individual directors. Excelsior's Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Project Steering Committee.

### **3. BOARD OF DIRECTORS**

- (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed a written position description for the Chair. The Chair of each Board committee acts within the parameters set by their respective committee charters.

- (b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board has developed a written position description for the Chief Executive Officer.

### **4. ORIENTATION AND CONTINUING EDUCATION**

- (a) Briefly describe what measures the board takes to orient new directors regarding**

- (i) the role of the board, its committees and its directors, and**
- (ii) the nature and operation of the issuer's business.**

The Company provides an orientation program to new directors. This program consists of:

- A detailed briefing with the Chair.
- A detailed briefing with the President and Chief Executive Officer.
- The Company's General Counsel providing education regarding directors' responsibilities, corporate governance issues and recent and developing issues related to corporate governance and regulatory reporting.
- Provision of the Company's committee charters and corporate governance policy booklet to the new director.
- Access to the Company's independent directors, as required, for the new director to discuss the operation of the Company and the Board.

- (b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board**

**ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

The Company encourages senior management to participate in professional development programs and courses and supports Management's commitment to training and developing employees. The Board of Directors provides comprehensive information regarding the Company to new directors and continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors.

As required, directors are briefed on strategic issues affecting the Company, and these briefings include reviews of the competitive environment, the Company's progress and performance relative to its peers, and any other developments that could materially affect the Company's business. The briefings are conducted by the Chair and Chief Executive Officer, Chief Financial Officer and other members of the executive management team. Furthermore, the Nominating and Corporate Governance Committee is responsible for reviewing, monitoring and making recommendations regarding new director orientation and ongoing development of existing directors.

## **5. ETHICAL BUSINESS CONDUCT**

**(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:**

**(i) disclose how a person or company may obtain a copy of the code;**

The Board of Directors expects Management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. On September 30, 2014, the Board of Directors adopted a formal written Code of Business Conduct and Ethics (the "Code") which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

Compliance with the Code is based first and foremost on the cooperation and vigilance of all persons subject to the Code. Each director, officer and employee and consultant is provided with a copy of the Code and is required to acknowledge in their employment or consulting contract, as applicable, that they have read, understood and agree to comply with the Code. The Nominating and Corporate Governance Committee is responsible for monitoring compliance with the Code by ensuring that all directors, officers, consultants and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Chair of the Board, Chief Executive Officer, Chief Financial Officer, General Counsel or other appropriate person. The Board sets the tone for ethical conduct throughout the Company by considering and discussing ethical considerations when reviewing the corporate transactions of the Company.

The Code requires all employees, officers, directors and consultants of the Company to perform the responsibilities of their positions on the basis of what is in the best interests of the Company and free from the influence of personal considerations and relationships. No material change report has ever been filed that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

In September of 2014, the Company also adopted a Whistleblower Policy to address Excelsior's commitment to integrity, ethical behavior, and compliance with the Code by its personnel. The Company's Whistleblower Policy sets out procedures for directors, officers, consultants and

employees of the Company to make good faith complaints concerning a suspicion of unethical behaviour of the Company or any of its personnel. The Board believes that providing a procedure for employees and officers to raise concerns about ethical conduct on an anonymous and confidential basis fosters a culture of ethical conduct within the Company.

**(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

No material change report was filed by the Company since January 1, 2017 regarding departures from the Code by directors or executive officers.

**(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

**(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

The Board endeavors to ensure that directors, officers and employees exercise independent judgement in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Nominating and Corporate Governance Committee regarding any potential conflicts of interest.

In accordance with the *Business Corporations Act* (British Columbia) (the "Act"), if a director is a director or officer of, or has a material interest in, any person who is a party to a transaction or proposed transaction with the Company, that director is not entitled to vote on any directors' resolutions in respect of such transaction, in most circumstances. The Nominating and Corporate Governance Committee monitors the disclosure of conflicts of interest to the Board by directors and ensures that no director will vote or participate in a discussion on a matter in respect of which such director has a material interest. Committee Chairs perform the same function with respect to meetings of each Board committee.

## **6. NOMINATION OF DIRECTORS**

**(a) Describe the process by which the board identifies new candidates for board nomination.**

The Nominating and Corporate Governance Committee is responsible for recommending to the Board, on an annual basis, nominees for election as directors for the next annual meeting of Shareholders and analyzing the needs of the Board and recommending nominees who meet such needs, when vacancies arise on the Board.

**(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

During the year ended December 31, 2017 the Nominating and Corporate Governance Committee was comprised of Lord Robin Renwick, Jim Kolbe and Steven Lynn. Each of Lord Robin Renwick, Jim Kolbe and Steven Lynn is considered an independent director for purposes of applicable securities laws. Mr. Lynn will not be standing for re-election as a director of the Company and the three members of the Nominating and Corporate Governance Committee will be appointed by the Board following the Meeting.

**(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

To encourage an objective nominating process, when considering potential Board nominees the Nominating and Corporate Governance Committee takes into account a number of factors, which may include the current composition of the Board, the ability of the individual candidate to contribute on an overall basis, the ability of the individual to contribute sufficient time and resources to the Board, the current and future needs of the Company, the individual's direct experience with public companies in general and mining companies in particular as well as the individual's skills and knowledge and the skills and knowledge of existing members of the Board.

The overall purpose of the Nominating and Corporate Governance Committee is to:

- assist the Company in its corporate governance responsibilities under applicable law;
- establish criteria for Board and committee membership;
- recommend composition of the Board and its committees; and
- as circumstances arise, assess directors' performance.

The Nominating and Corporate Governance Committee uses the following process to identify and nominate highly qualified and dedicated director candidates for election to the Board:

- the Chair of the Board, the Chair of the Nominating and Corporate Governance Committee or other members of the Board identify the need to add new Board members, with careful consideration of the mix of qualifications, skills and experience represented on the Board;
- the Nominating and Corporate Governance Committee coordinates the search for qualified candidates with input from management and other Board members;
- the Nominating and Corporate Governance Committee may engage a candidate search firm to assist in identifying potential nominees, if it deems such engagement necessary and appropriate;
- selected members of Management and the Board will interview prospective candidates;
- the Nominating and Corporate Governance Committee will recommend a nominee and seek full Board endorsement of the selected candidate, based on its judgment as to which candidate will best serve the interests of the Shareholders;
- the Nominating and Corporate Governance Committee may, to the extent it deems appropriate, consult with significant Shareholders of the Company or other Shareholders as part of the process of nominating new directors; and
- the Nominating and Corporate Governance Committee will consider any candidates submitted by Shareholders on the same basis as any other candidate.

**7. COMPENSATION**

**(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.**

Reference should be made to the “Statement of Executive Compensation” attached to this Information Circular as Schedule “B” for details regarding the Company’s process for determining compensation.

- (b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

Reference should be made to the “Statement of Executive Compensation” attached to this Information Circular as Schedule “B” for details regarding the Company’s Compensation, Committee.

- (c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

Reference should be made to the “*Statement of Executive Compensation*” attached to this Information Circular as Schedule “B” for details regarding the Company’s Compensation, Nominating and Corporate Governance Committee.

## **8. OTHER BOARD COMMITTEES**

**If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.**

The only committee of the Board that the Company has, other than the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee, is the Project Steering Committee. The current members of the Project Steering Committee are Stephen Twyerould, Michael Haworth and Colin Kinley. The purpose of the project steering committee is to assess and review the overall progress of the Company’s Gunnison Copper Project, and in particular, to consider and guide the Company in respect of the technical, financing, permitting and stakeholder engagement aspects of the Gunnison Copper Project.

## **9. ASSESSMENTS**

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

The Board, its Committees and individual directors are currently not regularly assessed with respect to their effectiveness and contribution. However, the Chair meets with directors individually which facilitates a discussion of his or her contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chair and the Nominating and Corporate Governance Committee are responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Nominating and Corporate Governance Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

## **10. TERM LIMITS**

**Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanism of board renewal and, if so, include a description of those director term limits or other**

**mechanism of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.**

The Company has not adopted term limits for directors because the risk profile of the Company makes it more difficult for the Company to attract and to retain highly qualified board members than other companies. The Company seeks to avoid losing the services of a qualified director with knowledge of its business through the imposition of an arbitrary term limit.

**11. POLICIES REGARDING THE REPRESENTATION OF WOMEN ON THE BOARD**

- (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

The Company has not adopted a written policy relating to the identification and nomination of women directors. The Nominating and Corporate Governance Committee generally identifies, evaluates and recommends candidates to become members of the Board with the goal of creating a Board that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized expertise. The composition of the Board of Directors is primarily a question of experience and expertise brought by each nominee to the Board of Directors. The Nominating and Corporate Governance Committee, when searching for nominees to the Board of Directors, also takes diversity, including gender diversity, into account. Primarily, the Board of Directors needs directors who have the expertise and the skills necessary for a copper development company. Although the committee does not have a formal diversity policy concerning membership of the Board, it considers diversity in its broadest sense when evaluating candidates, including persons diverse in gender, ethnicity, experience, and background.

- (b) If the issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions; (ii) the measures taken to ensure that the policy has been effectively implemented; (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.**

The Company does not have a written policy relating to the identification and nomination of women directors.

**12. CONSIDERATION OF THE REPRESENTATION OF WOMEN IN THE DIRECTOR IDENTIFICATION AND SELECTION PROCESS.**

**Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.**

The Nominating and Corporate Governance Committee considers all factors it deems relevant in the process of identifying and nominating candidates for election or re-election to the Board. As noted above, gender diversity is taken into account but its primary focus to identify directors who have the expertise and the skills necessary for a copper development company.

**13. CONSIDERATION GIVEN TO THE REPRESENTATION OF WOMEN IN EXECUTIVE OFFICER APPOINTMENTS**

**Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reason for not doing so.**

The Company identifies, evaluates and recommends persons to become executive officers with the goal of creating a senior management team that, as a whole, consists of individuals with various and relevant career experience and industry knowledge and experience. The composition of the senior management team is primarily a question of the experience and expertise brought by officer. Primarily, the Company needs executive officers who have the expertise and the skills necessary for the development of a copper project in the State of Arizona.

**14. ISSUER'S TARGETS REGARDING THE REPRESENTATION OF WOMEN ON THE BOARD AND IN EXECUTIVE OFFICER POSITIONS**

**For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date. Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target of either type, disclose the target and the annual and cumulative progress of the issuer in achieving the target.**

The Company has not adopted a target regarding women on the Board because the Nominating and Corporate Governance Committee generally identifies, evaluates and recommends candidates to become members of our Board with the goal of creating a Board that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized experience, while taking diversity, including gender diversity, into account. The Company has not adopted a target regarding women in executive officer positions because the Company's risk profile and lack of resources deprive it of the ability to make appointments on any basis other than finding, often on short notice, the most qualified person who is willing to accept the risks inherent in the Company's financial situation.

**15. NUMBER OF WOMEN ON THE BOARD AND IN EXECUTIVE OFFICER POSITIONS**

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.**

Currently no member of the Company's Board is a woman.

- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.**

Currently one of the Company's executive officers is a woman, representing approximately 20% of the Company's executive officers.

**SCHEDULE “B”**  
**FORM 51-102F6**  
**STATEMENT OF EXECUTIVE COMPENSATION**

**EXCELSIOR MINING CORP.**  
**(the “Company”)**

**(for the year ended December 31, 2017)**

**DATED MAY 17, 2017**

**Definitions**

For the purpose of this Information Circular:

“**Chief Executive Officer**” or “**CEO**” of the Company means an individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;

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

“**Executive officer**” of the Company for the financial year, means an individual who at any time during the year was:

- (a) a chair of the Company;
- (b) a vice-chair of the Company;
- (c) the president of the Company;
- (d) a vice-president of the Company in charge of a principal business unit, division or function, including sales, finance or production; or
- (e) performing a policy-making function in respect of the Company.

“**NEO**” or “**named executive officer**” means each of the following individuals:

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

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

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

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

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

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

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

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

### **Compensation discussion and analysis**

The Company has a Compensation Committee that is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors, and for reviewing the President and CEO’s recommendations respecting compensation of the other officers of the Company. The Company’s Named Executive Officers are compensated through consulting agreements, employment agreements or management services arrangements. The Compensation Committee does not have a pre-determined compensation plan and does not engage in benchmarking practices.

Compensation for the NEOs is composed of three components: base salary, performance bonuses and stock options. Performance bonuses are considered from time to time. The Compensation Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. The establishment of base salary, award of stock options and performance bonuses is based on subjective criteria including individual performance, level of responsibility, length of service and available market data. The target is for the total compensation package granted to the NEOs to be approximately in the middle range of other comparably sized mining companies, however there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each NEO. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the Compensation Committee, which takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company and the Board’s overall assessment of each NEO’s individual performance and contribution towards meeting corporate objectives, levels of responsibility, length of service and industry comparables. Each of these factors is evaluated on a subjective basis.

#### ***Base Salary***

In determining the base salary of an executive officer, the Compensation Committee begins its analysis with a recommendation from the President and CEO of the Company and also places weight on the following factors: the particular responsibilities related to the position; the experience level of the executive officer; the difficulties in recruiting new talent; and his or her overall performance. During the financial

year ended December 31, 2017, the annual base salary for services provided by Stephen Twyerould, the President and CEO was US\$285,000, the annual base consulting fees/salary for services provided by Roland Goodgame, Chief Operating Officer, were US\$220,000, the annual base salary for services provided by Rebecca Sawyer, Vice President, Sustainability was US\$150,000 and the annual base salary for Mark Distler, CFO were US\$165,000.

### ***Bonus Payments***

Executive officers are eligible for annual cash bonuses. The Compensation Committee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the Compensation Committee uses informal goals typical for exploration and development stage companies such as strategic acquisitions, advancement of exploration, operations and development, equity and debt financings and other transactions and developments that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the Compensation Committee. During the three most recently completed financial years, the Company's focus has been on deploying its capital to advance the Gunnison Copper Project and it has not paid any discretionary cash bonuses during this period except for signing bonuses that were paid to Stephen Twyerould and Roland Goodgame in connection with their transitioning from consultants to full-time employees of the Company.

### ***Long-Term Incentives***

The Company believes that granting stock options and shares to key personnel encourages retention and more closely aligns the interests of executive management with the intent of Shareholders. The inclusion of options in compensation packages allows the Company to compensate employees while not drawing on limited cash resources. Further, the Company believes that the option component serves to further align the interests of management with the interests of the Company's Shareholders. The amount of options to be granted is based on the relative contribution and involvement of the individual in question, as well as taking into consideration previous option grants. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of stock based compensation (if any) to be granted and the Company does not focus on any particular performance metric. During the financial year ended December 31, 2017, the Company did not grant any stock options to its Named Executive Officers.

### ***Hedging Restrictions***

The Company does not have any policies that restrict a NEO or director from purchasing 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 except that NEOs and directors are prohibited from undertaking any of the following activities under the Company's Insider Trading Policy:

- speculating in securities of the Company, which may include buying with the intention of quickly reselling such securities, or selling securities of the Company with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Company's stock option plan or any other Company benefit plan or arrangement);
- buying the Company's securities on margin;
- short selling a security of the Company or any other arrangement that results in a gain only if the value of the Company's securities declines in the future;
- selling a "call option" giving the holder an option to purchase securities of the Company; and

- buying a “put option” giving the holder an option to sell securities of the Company.

### ***Risk Management and Assessment***

With respect to the management of risk, the Board takes a conservative approach to executive compensation, rewarding individuals with additional performance-based compensation dependent upon the success of the Company and when such success can be demonstrated. The Compensation Committee is responsible for reviewing the Company’s compensation program to ensure that risks are identified and mitigated to the extent possible. Care is taken in measuring this success, while ensuring it is achieved within normal operating procedures and standards, including those related to the environment, health, safety and sustainable development.

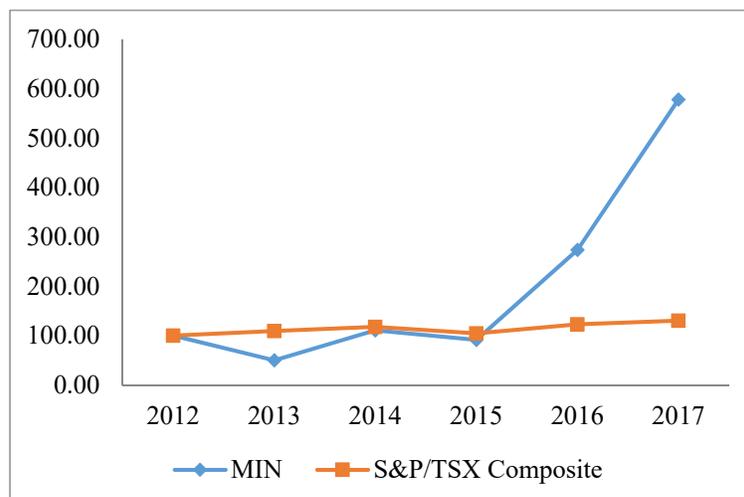
The nature of the business and the competitive environment in which the Company operates requires some level of risk-taking to achieve growth and desired results in the best interest of stakeholders. The Company’s executive compensation program seeks to encourage behaviours directed towards increasing long-term value, while limiting incentives that promote excessive risk taking.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and for the current fiscal year it has started to adopt certain pre-defined targets associated with bonus payments. As the Company continues to a more advanced stage of development, it is expected that the Compensation Committee will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views stock options as a valuable tool for aligning the interest of management and Shareholders in the long term growth and success of the Company. The Company is aware that stock option grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long term success of the Company. In order to mitigate this risk, option grants are generally subject to vesting period of two years from the date of grant.

### **Performance Graph**

The following graph depicts the Company’s cumulative total Shareholder returns in the past five years (to December 31, 2017), assuming a \$100 investment in Common Shares on December 31, 2012, compared to an equal investment in the S&P/TSX Composite Index. The Company does not currently issue dividends. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



As described above, the Compensation Committee considers various factors in determining the compensation of the Named Executive Officers and common share performance is one performance measure that is reviewed and taken into consideration with respect to executive compensation. As a copper development company, the Common Share price can be impacted by the market price of copper, which can fluctuate widely and be affected by numerous factors that are beyond the Company's control and difficult to forecast. The Common Share price is also affected by other factors beyond the Company's control, including general and industry-specific economic and market conditions.

There is no correlation between the trend of Excelsior's stock price and Excelsior's executive compensation. Due to a variety of factors, the Company's executive compensation increased from 2013 to 2016 as the Company was in an expansion phase in the development of its Gunnison Copper Project and the acquisition of the adjacent Johnson Camp Mine. Other than signing bonuses that were paid to Stephen Twyerould and Roland Goodgame in connection with their transitioning from consultants to full-time employees of the Company, there has been no increase in the Company's executive compensation during the year ended December 31, 2017.

## **Compensation Governance**

### **Compensation Committee**

#### *Members and Independence*

During the financial year ended December 31, 2017, the Compensation Committee was comprised of three directors of the Company, Colin Kinley, Jay Sujir and Steven Lynn, all of whom are currently independent of the Company for purposes of applicable securities laws. Currently, the compensation Committee consists of Colin Kinley, Jay Sujir and Steven Lynn.

#### *Skills and Experience*

The Board believes that each current and former member of the Compensation Committee possesses skills and experience relevant to the mandate of the Compensation Committee. In addition, the members of the Compensation Committee each have skills and experience that enable them to make decisions on the suitability of the Company's compensation policies and practices.

<b>Committee Member</b>	<b>Relevant Skills and Experience</b>
Colin Kinley	Mr. Kinley spent 26 years as an executive for Layne Christensen Company specializing in engineered drilling and resource development projects and he is currently an executive of several companies focused on oil or mineral resource exploration and development. Based on his experience with several different resource companies, Mr. Kinley has developed significant knowledge with respect to executive compensation policies and procedures.
Jay Sujir	Mr. Sujir is a securities lawyer and a partner in the law firm of Farris Vaughan Wills & Murphy LLP. He has acted and continues to act as counsel for numerous companies in the mining sector. Mr. Sujir routinely advises publicly traded mineral resource companies on executive compensation matters and has developed significant knowledge in this area. Mr. Sujir is also a director of several other junior resource companies.
Steven Lynn	Mr. Lynn is the Chief Strategy Officer for Strongpoint Marketing. He retired from his position as Vice President and Chief Customer Officer at both UniSource Energy Corporation and Tucson Electric Power Company (TEP) at the end of 2011. Mr. Lynn joined UniSource Energy and TEP in 2000. Prior to that, he spent sixteen years as CEO and owner-partner at Nordensson Lynn & Associates, Inc., one of Arizona's leading marketing and communications firms based in Tucson.

*Responsibilities, Powers and Operation*

The Compensation Committee’s primary function to assist the Board of Directors in fulfilling its oversight responsibilities by:

- Reviewing and approving and then recommending to the Board of Directors salary or consulting fees, bonuses, and other benefits, direct or indirect, and any change-of-control packages of the Company’s executive officers;
- Reviewing compensation of the Board of Directors;
- Administration of the Company’s compensation plans, including stock option plans, outside directors’ compensation plans, and such other compensation plans or structures as are adopted by the Company from time to time;
- Research and identification of trends in employment benefits; and
- Establishment and periodic review of the Company’s policies in the area of management benefits and perquisites based on comparable benefits and perquisites in the mining industry.

Meetings of the Compensation Committee are held from time to time as the Compensation Committee or the Chair of the Compensation Committee shall determine. The Compensation Committee may ask members of Management or others to attend meetings or to provide information as necessary. The Compensation Committee is permitted to retain and terminate the services of outside compensation specialists and other advisors to the extent required, and has the sole authority to approve their fees and other retention terms.

*Compensation Advisor*

The Company has not, at any time since the Company’s most recently completed financial year, retained a compensation consultant or advisor to assist the Board or Compensation Committee in determining the compensation of any of the Company’s directors or executive officers.

**Summary Compensation Table**

The following table contains information about the compensation paid to, or earned by, those who were during the fiscal year ended December 31, 2017 the Company’s Named Executive Officers. The Company had four Named Executive Officers during the fiscal year ended December 31, 2017, namely Stephen Twyerould, Roland Goodgame, Mark Distler and Rebecca Sawyer.

Name and principal position)	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Stephen Twyerould <sup>(1)</sup> CEO	2017	432,018 <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	432,018 <sup>(10)</sup>
	2016	Nil	Nil	Nil	Nil	Nil	Nil	382,669	382,669 <sup>(11)</sup>
	2015	Nil	Nil	426,386 <sup>(8)</sup>	Nil	Nil	Nil	394,440	820,826 <sup>(12)</sup>
Roland Goodgame <sup>(2)</sup> Chief Operating Officer	2017	275,990 <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	45,998	321,988 <sup>(10)</sup>
	2016	Nil	Nil	Nil	Nil	Nil	Nil	295,394	295,394 <sup>(11)</sup>
	2015	Nil	Nil	325,155 <sup>(8)</sup>	Nil	Nil	Nil	304,480	619,635 <sup>(12)</sup>
Rebecca Sawyer <sup>(3)</sup> Vice President, Sustainability	2017	188,175	Nil	Nil	Nil	Nil	Nil	Nil	188,175 <sup>(10)</sup>
	2016	30,980	Nil	Nil	Nil	Nil	Nil	116,367	147,347 <sup>(11)</sup>
	2015	Nil	Nil	93,321 <sup>(8)(9)</sup>	Nil	Nil	Nil	179,930	273,24 <sup>(12)</sup>

Name and principal position)	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Mark Distler <sup>(4)</sup> CFO	2017	206,993	Nil	Nil	Nil	Nil	Nil	Nil	206,993 <sup>(10)</sup>
	2016	176,929	Nil	53,583 <sup>(7)</sup>	Nil	Nil	Nil	Nil	230,512 <sup>(11)</sup>
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Twyerould was appointed CEO on October 14, 2010. Mr. Twyerould received his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated September 1, 2007, as amended, between Excelsior Mining Arizona, Inc. (“**Excelsior Arizona**”) and SCT Holdings Management LLC. See below under “Termination and Change of Control Benefits” for a description of the agreements. Effective January 1, 2017, Mr. Twyerould entered into an employment agreement with Excelsior Arizona. The terms of the employment agreement, are, in all material respects, the same as the terms of the consulting agreement. Mr. Twyerould also serves as a director of the Company, but receives no additional compensation for his services as a director.
- (2) Mr. Goodgame served as Vice President, Exploration from October 14, 2010 to May 22, 2014 when he was promoted to Executive Vice President. Mr. Goodgame receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated May 11, 2007, as amended, between Excelsior Arizona and Taloumba, Inc. See below under “Termination and Change of Control Benefits” for a description of this agreement. Effective March 1, 2017, Mr. Goodgame entered into an employment agreement with Excelsior Arizona. The terms of the employment agreement, are, in all material respects, the same as the terms of the consulting agreement. Effective April 21, 2017, Mr. Goodgame was appointed Chief Operating Officer of the Company.
- (3) Ms. Sawyer was appointed Vice President, Sustainability on November 18, 2014. Ms. Sawyer received her compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated November 18, 2014 between Excelsior Arizona, the Company, Rebecca A. Sawyer, LLC and Rebecca Sawyer. See below under “Termination and Change of Control Benefits” for a description of this agreement. Effective September 1, 2016, the consulting agreement was terminated and Ms. Sawyer entered into an employment agreement dated September 1, 2016 with Excelsior Arizona. The terms of the employment agreement, are, in all material respects, the same as the terms of the consulting agreement.
- (4) Mr. Distler was appointed CFO on April 27, 2016. Mr. Distler receives his compensation pursuant to the terms of an employment agreement between Excelsior Arizona and Mark Distler dated March 14, 2016. See below under “Termination and Change of Control Benefits” for a description of this agreement.
- (5) Includes a signing bonus payment of \$74,485.94 that was payable as a result of the conversion from a consultant to a full-time employee.
- (6) Includes a signing bonus payment of \$45,998.35 that was payable as a result of the conversion from a consultant to a full-time employee.
- (7) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was April 27, 2016. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of .079%; (b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 129.19% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (8) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was December 16, 2015. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of 0.66%; (b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 132.1% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (9) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was August 19, 2015. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of 0.44%; b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 1.333% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (10) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.2545 of one Canadian dollar, based on the average daily exchange rate on December 29, 2017 as published by the Bank of Canada.
- (11) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.3427 of one Canadian dollar, based on the noon exchange rate on December 30, 2016 as published by the Bank of Canada.
- (12) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.3840 of one Canadian dollar, based on the noon exchange rate on December 31, 2015 as published by the Bank of Canada.

### **Option-based Awards**

The Company currently has a stock option plan (the “**Plan**”) in place. The Plan has been approved by the Toronto Stock Exchange (the “**TSX**”) and the Shareholders of the Company. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares.

The key provisions of the Plan can be summarized as follows:

- (i) The maximum number of Common Shares that may be reserved for issuance for all purposes under the Plan is 17,966,400, being approximately 8.7% of the Common Shares issued and outstanding at date of this Information Circular. However, if any option has been exercised, then the number of Common Shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan.
- (j) Currently the Company has options outstanding that will result in 17,236,000 Common Shares being issuable upon the exercise of such options, which represents approximately 8.35% of the current number of issued and outstanding Common Shares.
- (k) The exercise price per Common Share shall be determined by the Board of Directors at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. In the event that the Common Shares are not listed and posted for trading on any stock exchange or other quotation system, the exercise price shall be the fair market value of the Common Shares as determined by the Board of Directors in its sole discretion.
- (l) The Plan provides that options may be granted to directors, employees, corporations that have a right to nominate a director to the Board of Directors, and consultants of the Corporation or any of its designated affiliates.
- (m) The Plan gives discretion to establish, and modify vesting provisions to the Board of Directors, or a committee established thereby.
- (n) The Plan provides that all outstanding options will immediately vest upon a change of control.
- (o) The Plan provides that where a participant is terminated for any reason other than cause or death, options may be exercised no later than 90 days after the termination date, in the case of termination by reason of death, no later than 12 months following the date of death or disability, by the legal representative(s) of the estate of the participant, and in the case of termination for cause, options expire immediately.
- (p) Any amendment to any provision of the Plan shall be subject to any necessary approvals by any stock exchange or regulatory body having jurisdiction over the securities of the Company. The Plan will require Shareholder approval of certain amendments in accordance with the policies of the TSX, however, the Board of Directors has the discretion to make the following amendments, which it may deem necessary without having to obtain Shareholder approval:

- (i) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
- (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the Plan;
- (iii) to change the persons who qualify as participants under the Plan;
- (iv) to change any vesting provisions of options;
- (v) to change the termination provisions of the options or of the Plan which does not entail an extension beyond the original expiry date of the options; and
- (vi) to add a cashless exercise feature to the Plan, providing for the payment in cash or securities on the exercise of options;

provided, however, that:

- (vii) no such amendment of the Plan may be made without the consent of such affected Participant (as defined in the Plan) if such amendment would adversely affect the rights of such affected Participant under the Plan; and
- (viii) Shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment that results in:
  - 1. an increase in the number of shares issuable under options granted pursuant to the Plan;
  - 2. a reduction in the exercise price of an option;
  - 3. an extension of the term of an option granted under the Plan benefiting an insider (within the meaning of the rules of the TSX) of the Company;
  - 4. a change to the insider participation limit set forth in the Plan; or
  - 5. a change to amending provision of the Plan.

Additionally, the Plan contains the following provisions:

- (h) The number of shares issuable to any individual under any security based compensation arrangement of the Company shall not, within a one year period, exceed 5% of the number of shares outstanding immediately prior to the grant of any such option.
- (i) The maximum term for stock options issued pursuant to the Plan cannot exceed 10 years, subject to an automatic extension in the event that the expiry of the term of an option falls within a black out period.
- (j) The number of Common Shares: (i) issued to insiders of the Company, within any one year period, and (ii) issuable to insiders of the Company, at any time, under the Plan, or when combined with all of the Company's other security based

compensation arrangements, will not exceed 10% of the Company's total issued and outstanding securities.

- (k) An option is personal to an optionee and non-assignable, subject to limited exceptions as set out in the Plan.
- (l) The Plan also provides for adjustments to outstanding options in the event of any disposition of substantially all of the assets of the Company, dissolution or any merger, amalgamation or consolidation of the Company with or into any other company, or the merger, amalgamation or consolidation of any other company with or into the Company.
- (m) The Plan provides for accelerated vesting and accelerated expiry dates in the events of a take-over bid.
- (n) The Plan allows the Company to withhold from any remuneration otherwise payable to a participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of their participation in the Plan. This provision of the Plan is necessary as a result of certain proposed amendments to the *Income Tax Act* (Canada) relating to the taxation of share options which came into effect on January 1, 2011.
- (o) The Plan contains a cashless exercise feature whereby an option that is eligible for exercise may be exercised on a cashless basis instead of a participant making a cash payment for the aggregate exercise price of the options. When a participant elects the cashless exercise of options by providing the prescribed form of notice of cashless exercise to the Company specifying the number of options to be exercised for cash, the exercise price of the options is advanced by an independent brokerage firm, the advance is deducted from the proceeds of sale of the Common Shares issued on exercise, and the remaining proceeds or Common Shares are paid to the participant after deducting any withholding tax or other withholding liabilities.

***Outstanding share-based awards and option-based awards***

The following table provides details with respect to outstanding option-based awards and share-based awards, granted to the Named Executive Officers as at the year ended December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen Twyerould CEO	600,000 <sup>(3)</sup>	\$0.31 <sup>(6)</sup>	2018-12-31	612,000	Nil	Nil	Nil
	500,000 <sup>(2)</sup>	\$0.30	2018-12-31	515,000			
	2,300,000 <sup>(5)</sup>	\$0.23	2020-12-16	2,530,000			
Roland Goodgame Executive Vice President	2,000,000 <sup>(3)</sup>	\$0.31 <sup>(6)</sup>	2018-12-31	2,040,000	Nil	Nil	Nil
	400,000 <sup>(2)</sup>	\$0.30	2018-12-31	412,000			
	500,000 <sup>(2)</sup>	\$0.30	2018-12-31	515,000			
	1,700,000 <sup>(5)</sup>	\$0.23	2020-12-16	1,870,000			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Rebecca Sawyer	250,000 <sup>(4)</sup>	\$0.25	2019-12-01	270,000	Nil	Nil	Nil
Vice President, Sustainability	100,000 <sup>(2)</sup> 400,000 <sup>(5)</sup>	\$0.30 \$0.23	2020-08-19 2020-12-16	103,000 440,000			
Mark Distler CFO	200,000 <sup>(2)</sup>	\$0.36	2021-04-27	194,000	Nil	Nil	Nil

- (1) Based on the closing price of the Common Shares on the Exchange on December 29, 2017, being \$1.33.
- (2) Options are granted for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six, twelve, eighteen and twenty-four month anniversaries of the date of grant.
- (3) Options of AzTech Minerals, Inc. (“**AzTech**”) exchanged for options exercisable for Excelsior shares as a result of the business combination between the Company, Excelsior Arizona and AzTech (the “**Business Combination**”). These options are not subject to any vesting provisions.
- (4) Options are granted for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six and twelve month anniversaries of the date of grant and 50% become available for exercise on the twenty-four month anniversary of the grant date.
- (5) Options are granted for a period of five years and 100% vest and become available for exercise one day following the date that the Company has received from the relevant governmental authorities all of the final permits and approvals such that the Company is permitted to commence the production of copper from the Gunnison Copper Project located in Cochise County, Arizona.
- (6) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.2545 of one Canadian dollar, based on the average daily exchange rate on December 29, 2017 as published by the Bank of Canada.

***Incentive plan awards – value vested or earned during the financial year ended December 31, 2017***

The following table provides information regarding value vested or earned through incentive plan awards by the Named Executive Officers during the financial year ended December 31, 2017:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Twyerould CEO	Nil <sup>(2)</sup>	Nil	Nil
Roland Goodgame Executive Vice President	Nil <sup>(2)</sup>	Nil	Nil
Rebecca Sawyer Vice President, Sustainability	38,751 <sup>(3)</sup>	Nil	Nil
Mark Distler CFO	67,000 <sup>(4)</sup>	Nil	Nil

- (1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the options on the vesting date.
- (2) No options vested during the fiscal year ended December 31, 2017.
- (3) 25,000 options exercisable at \$0.30 per share vested on February 19, 2017 and 25,000 options exercisable at \$0.30 per share vested on August 19, 2017. The closing price of the Common Shares on the Exchange on February 17, 2017, and August 18, 2017 were \$0.86 and \$1.29 respectively.
- (4) 50,000 options exercisable at \$0.36 per share vested on April 27, 2017 and 50,000 options exercisable at \$0.36 per share vested on October 27, 2017. The closing price of the Common Shares on April 27, 2017 and October 27, 2017 were \$0.80 and \$1.26 respectively.

### **Pension Plan Benefits**

The Company does not have any pension or retirement plans or arrangements for its Named Executive Officers.

### **Termination and Change of Control Benefits**

The following describes the respective consulting agreements currently in effect for the Named Executive Officers:

#### **Stephen Twyerould**

The consulting agreement (the “**SCT Agreement**”) dated September 1, 2007, as amended, between Excelsior Arizona (formerly AzTech prior to the Business Combination) and SCT Holdings Management, LLC, a privately-owned company held by Stephen Twyerould, requires Excelsior Arizona to pay SCT Holdings Management, LLC US\$285,000 per annum for services.

Pursuant to the SCT Agreement if Excelsior Arizona terminates the SCT Agreement for cause, Excelsior Arizona is required to pay SCT all previously unpaid consulting fees or interim consulting fees up to, and including, amounts payable to SCT during the month of termination. If Excelsior Arizona terminates the SCT Agreement for any reason other than for cause or the death or disability of Stephen Twyerould, SCT’s principal officer (who is not thereupon replaced by a principal officer acceptable to Excelsior Arizona) or if SCT terminates the SCT Agreement for Good Reason (as defined below), Excelsior Arizona is required to pay SCT all unpaid consulting fees and an amount equal to one year of the consulting fee. In the event of a Change of Control (as defined below) and Excelsior Arizona terminates the SCT Agreement or fails to renew the SCT Agreement within 18 months of the change of control, Excelsior Arizona is required to pay SCT an amount equal to three years worth of the consulting fees at the time of termination or failure to renew.

Effective January 1, 2017, Stephen Twyerould entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Mr. Twyerould in the position of Chief Executive Officer and President of the Company, Excelsior Arizona and Excelsior Mining JCM, Inc. (“**Excelsior JCM**”) and the SCT Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the SCT Agreement.

#### **Roland Goodgame**

The consulting agreement (the “**Taloumba Agreement**”) dated May 11, 2007, as amended, between Excelsior Arizona (formerly AzTech prior to the Business Combination) and Taloumba, Inc., a privately-owned company held by Roland Goodgame, requires Excelsior Arizona to pay Taloumba, Inc., US\$220,000 per annum for services.

Pursuant to the Taloumba Agreement if Excelsior Arizona terminates the Taloumba Agreement for cause, Excelsior Arizona is required to pay Taloumba all previously unpaid consulting fees or interim consulting fees up to, and including, amounts payable to Taloumba during the month of termination. If Excelsior Arizona terminates the Taloumba Agreement for any reason other than for cause or the death or disability of Roland Goodgame, Taloumba’s principal officer (who is not thereupon replaced by a principal officer acceptable to Excelsior Arizona) or if Taloumba terminates the Taloumba Agreement for Good Reason (as defined below), Excelsior Arizona is required to pay Taloumba all unpaid consulting fees and an amount equal to one year of the consulting fee. In the event of a Change of Control (as defined below) and Excelsior Arizona terminates the Taloumba Agreement or fails to renew the Taloumba Agreement within 18 months of the change of control, Excelsior Arizona is required to pay Taloumba an amount equal to three years worth of the consulting fees at the time of termination or failure to renew.

Effective March 1, 2017, Roland Goodgame entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Mr. Goodgame in the position of Chief Operating Officer of the Company, Excelsior Arizona and Excelsior JCM, and the Taloumba Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the Taloumba Agreement.

### **Rebecca Sawyer**

The consulting agreement (the “**Sawyer Agreement**”) dated November 18, 2014 between the Company, Excelsior Arizona, Rebecca A. Sawyer, LLC (the “**Consultant**”), a privately-owned company held by Rebecca Sawyer and Rebecca A. Sawyer (“**Sawyer**”), requires Excelsior Arizona to pay the Consultant, US\$129,999.96 base fees per annum for services. Effective September 1, 2016, the base fees per annum were increased to US\$150,000.

Pursuant to the Sawyer Agreement, either the Company/Excelsior Arizona, or the Consultant/Sawyer, may terminate the Sawyer Agreement on the giving to the other parties at least three (3) months’ written notice of the effective date of such termination. In the event of a Change of Control (as defined below) and the Company/Excelsior Arizona terminate the Sawyer Agreement without cause or for Good Reason within 12 months of the change of control, the Company/Excelsior Arizona are required to pay the Consultant an amount equal to the 12 months’ base fees at the time of termination or failure to renew.

Effective September 1, 2016, Rebecca Sawyer entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Ms. Sawyer in the position of Vice President, Sustainability of the Company, Excelsior Arizona and Excelsior JCM, and the Sawyer Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the Sawyer Agreement.

### **Mark Distler**

The employment agreement (the “**Distler Agreement**”) dated March 14, 2016 between Excelsior Arizona and Mark Distler (“**Distler**”), employs Distler as CFO of the Company, Excelsior Arizona and Excelsior JCM at an annual base salary of US\$165,000.

Pursuant to the Distler Agreement, Excelsior Arizona may terminate the Distler Agreement on the giving to Distler of thirty (30) days’ written notice or pay in lieu thereof. In the event of a Change of Control (as defined below) and either Excelsior Arizona or Distler terminate the Distler Agreement without cause or for Good Reason within one (1) year of the change of control, Excelsior Arizona is required to pay Distler an amount equal to the six (6) months’ base salary at the time of termination.

Change of control (“**Change of Control**”) is defined in each of the Taloumba Agreement, the SCT Agreement, the Sawyer Agreement and the Distler Agreement to include each of the following: (a) any tender offer, take-over bid or exchange offer is consummated involving fifty one percent (51%) or more of the combined voting power of Excelsior Arizona’s or the Company’s outstanding securities; (b) the consummation of any merger, consolidation or other reorganization or similar transaction involving Excelsior Arizona or the Company where less than sixty percent (60%) of the outstanding voting shares of the surviving entity are or would be owned in the aggregate by Excelsior Arizona’s or the Company’s stockholders who are stockholders of Excelsior Arizona or the Company, as applicable, as of the date of such action; (c) the consummation of any sale or transfer of all or substantially all of the assets of Excelsior Arizona or the Company to any person or entity, other than to an entity that is wholly owned by Excelsior Arizona or the Company, as applicable; (d) any tender offer, take-over bid, exchange offer, merger, take-over bid, consolidation, other reorganization or similar transaction, sale or transfer of assets or contested election where less than a majority of the board of directors of Excelsior Arizona or the Company, or, if applicable, the surviving entity were directors of Excelsior Arizona or the Company, as applicable, before such action; or (e) any transaction relating to Excelsior Arizona or the Company that is required to be described in accordance with Schedule 14A of Regulation 14A of the Securities and Exchange Commission (or equivalent regulations applicable in Canada).

Good reason (“**Good Reason**”) is defined in each of the Taloumba Agreement, and the SCT Agreement to mean any of the following: (a) a material diminution of the duties, authority, responsibilities, or consulting position of the consultant or the assignment to the consultant of duties that are materially inconsistent with the consultant's duties; (b) the consultant is relieved of the consultant's duties other than for cause; (c) a reduction in the consulting fee; (d) any change in the consultant's principal place of work that would increase the commute of the principal officer of the consultant by 30 miles or more from the consultant's current principal place of work; (e) a change of control occurs; or (f) a breach by Excelsior Arizona of any of its material obligations under the consulting agreement.

Good Reason is defined in the Sawyer Agreement to mean, without Sawyer’s written consent, the occurrence of any of the following circumstances: (i) reduction by Excelsior Arizona in Sawyer’s Base Salary; (ii) the failure of Sawyer to be appointed or re-appointed to the position of Vice President Sustainability; (iii) a material diminution in Sawyer’s duties or the assignment to Sawyer of any duties inconsistent with her position and status as Vice President Sustainability of Excelsior Arizona or the Company; (iv) the Company ceases to be publicly traded; (v) a change in Sawyer's reporting relationship such that Sawyer no longer reports directly to the Executive Vice President; (vi) Sawyer is directed by the Company to act, or refrain from acting, in a manner that would result in the Company becoming non-compliant with any of its permits or a violation of applicable law; or (vii) a relocation of place of work outside of Arizona.

Good Reason is defined in the Distler Agreement to mean, without Distler’s written consent, the occurrence of any of the following circumstances: (i) reduction by Excelsior Arizona in Distler’s Base Salary; (ii) the failure of Distler to be appointed or re-appointed to the position of Chief Financial Officer; (iii) a material diminution in Distler’s duties or the assignment to Distler of any duties inconsistent with his position and status as Chief Financial Officer of Excelsior Arizona or the Company (iv) the Company ceases to be publicly traded; (v) a change in Distler’s reporting relationship such that Distler no longer reports directly to the President and Chief Executive Officer; or (vi) a relocation of place of work outside of Arizona.

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in accordance with the termination provisions described above:

<b>Name</b>	<b>Termination Without Cause Benefit Value<sup>(1)(2)</sup></b>	<b>Termination on a Change of Control Benefit Value<sup>(1)(2)</sup></b>
Stephen Twyerould	\$357,532.50	\$1,072,597.50
Roland Goodgame	\$275,990.00	\$827,970.00
Rebecca Sawyer	\$47,043.75	\$188,175.00
Mark Distler	\$17,249.38	\$103,496.25

(1) The termination value assumes that the triggering event took place on the last business day of the Company’s financial year-end (December 31, 2017).

(2) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.2545 of one Canadian dollar, based on the average daily exchange rate on December 29, 2017 as published by the Bank of Canada.

### **Director Compensation**

Under the Company’s director compensation program, non-executive Directors of the Company receive an annual board retainer of \$24,000, which fees are paid quarterly. The directors of the Company are eligible to receive options to purchase Common Shares pursuant to the terms of the Company’s incentive stock option plan and the non-executive Directors of the Company generally also receive a minimum grant of 500,000 incentive stock options to purchase Common Shares pursuant to the terms of the Company’s incentive stock option plan. The Company’s Chair receives an annual retainer of \$75,000 for his services.

The following table contains information about the compensation paid to, or earned by Directors of the Company who were not Named Executive Officers. During the financial year ended December 31, 2017,

the Company had seven Directors who were not Named Executive Officers, being Mark J. Morabito, Jay Sujir, Colin Kinley, Jim Kolbe, Steven Lynn, Michael Haworth and Lord Robin Renwick.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(7)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Mark J. Morabito <sup>(1)</sup> Director	75,000	Nil	Nil	Nil	Nil	Nil	75,000
Jay Sujir <sup>(2)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Colin Kinley <sup>(3)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Jim Kolbe <sup>(4)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Steven W. Lynn <sup>(4)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Michael Haworth <sup>(5)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Lord Robin Renwick <sup>(6)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000

- (1) Mr. Morabito was appointed as a director of the Company effective April 4, 2007. Mr. Morabito served as Chair from October 14, 2010 to June 5, 2014. Mr. Morabito was appointed as Executive Chair of the Company on June 5, 2014 and Chair on January 31, 2016.
- (2) Mr. Sujir was appointed as a director of the Company effective May 14, 2010.
- (3) Mr. Kinley was appointed as a director of the Company effective October 14, 2010.
- (4) Messrs. Kolbe and Lynn were appointed as directors of the Company effective February 15, 2012.
- (5) Mr. Haworth was appointed as a director of the Company effective September 5, 2014.
- (6) Lord Renwick was appointed as a director of the Company effective October 20, 2014.
- (7) No option-based awards were granted to non-executive directors during the year ended December 31, 2017.

***Incentive plan awards - Outstanding share-based awards and option-based awards granted to Directors***

The following table provides details with respect to outstanding option-based awards and share-based awards, granted to the Directors of the Company who were not Named Executive Officers as at the year ended December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Mark J. Morabito, Director	900,000 <sup>(3)</sup>	\$0.30	2018-12-31	927,000	Nil	Nil	Nil
	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	412,000			
Jay Sujir Director	58,667 <sup>(2)</sup>	\$0.30	2018-12-31	60,427	Nil	Nil	Nil
	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	412,000			
	41,333 <sup>(3)</sup>	\$0.30	2018-12-31	42,573			
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	154,500			
Colin Kinley Director	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	412,000	Nil	Nil	Nil
	100,000 <sup>(3)</sup>	\$0.30	2018-12-31	103,000			
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	154,500			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jim Kolbe Director	500,000 <sup>(3)</sup> 150,000 <sup>(3)</sup>	\$0.30 \$0.30	2018-12-31 2018-12-31	515,000 154,500	Nil	Nil	Nil
Steven W. Lynn Director	500,000 <sup>(3)</sup> 150,000 <sup>(3)</sup>	\$0.30 \$0.30	2018-12-31 2018-12-31	515,000 154,500	Nil	Nil	Nil
Michael Haworth Director	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Lord Robin Renwick Director	500,000 <sup>(3)</sup>	\$0.26	2019-10-20	535,000	Nil	Nil	Nil

(1) Based on the closing price of the Common Shares on the Exchange on December 29, 2017 being \$1.33.

(2) Options are exercisable for a period of five years and vest over a period of twelve months such that 25% become available for exercise on each of the three, six, nine and twelve month anniversaries of the date of grant.

(3) Options are exercisable for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six, twelve, eighteen and twenty-four month anniversaries of the date of grant.

***Incentive plan awards – value vested or earned during the financial year ended December 31, 2017***

The following table provides information regarding value vested or earned through incentive plan awards by the Directors of the Company who were not Named Executive Officers during the financial year ended December 31, 2017:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Mark J. Morabito, Director	Nil <sup>(2)</sup>	Nil	Nil
Jay Sujir, Director	Nil <sup>(2)</sup>	Nil	Nil
Colin Kinley, Director	Nil <sup>(2)</sup>	Nil	Nil
Jim Kolbe, Director	Nil <sup>(2)</sup>	Nil	Nil
Steven W. Lynn, Director	Nil <sup>(2)</sup>	Nil	Nil
Michael Haworth, Director	Nil <sup>(2)</sup>	Nil	Nil
Lord Robin Renwick, Director	Nil <sup>(2)</sup>	Nil	Nil

(1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the options on the vesting date.

(2) No options vested during the year ended December 31, 2017.