



# CANDENTE COPPER CORP



**NOTICE OF MEETING  
AND INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL MEETING OF  
CANDENTE COPPER CORP.**

**TO BE HELD ON FRIDAY, JUNE 29, 2018**

DATED: MAY 22, 2018





**CANDENTE  
COPPER CORP**  
TSX:DNT      BVL:DNT

1100 – 1111 MELVILLE STREET  
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## NOTICE AND ACCESS NOTIFICATION TO SHAREHOLDERS

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 29, 2018

You are receiving this notification as Candente Copper Corp. (“**Candente Copper**” or the “**Company**”) has decided to use the notice and access model (“**Notice and Access**”) provided for under National Instrument 54-101 for the delivery of meeting materials to its shareholders for its annual general meeting of shareholders to be held on June 29, 2018 (the “**Meeting**”). Under Notice and Access, instead of receiving printed copies of the Company’s management information circular (“**Information Circular**”), financial statements for the year ended December 31, 2017, and management’s discussion and analysis (collectively, the “**Meeting Materials**”), shareholders are receiving this notice with information on how they may access such Meeting Materials electronically. However, together with this notice, shareholders continue to receive a proxy (in the case of registered shareholders) or voting instruction form (in the case of non-registered shareholders), enabling them to vote at the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs. This notice serves as notice of meeting under section 169 of the *Business Corporations Act* (British Columbia).

#### Meeting Date, Location and Purposes

The Meeting will be held on Friday, June 29, 2018 (“**Meeting Date**”) at 10:00 a.m. (Pacific Time) at the offices of Gowling WLG (Canada) LLP, Suite 2300, 550 Burrard Street, Vancouver, British Columbia, for the following purposes:

1. to receive the report of the directors;
2. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2017, and the auditor’s report thereon. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “ADDITIONAL INFORMATION”;
3. to fix the number of directors at 7. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “ELECTION OF DIRECTORS”;
4. to elect the directors of the Company for the ensuing year. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “ELECTION OF DIRECTORS”;
5. to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing year and authorize the directors to fix its remuneration. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “APPOINTMENT OF AUDITOR”;

6. to consider and, if deemed advisable, to ratify, confirm and approve the Deferred Share Unit Plan of the Company, and to authorize, among other things, the issuance of up to 5,000,000 common shares of the Company from treasury to satisfy the obligations of the Company thereunder. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of Deferred Share Unit Plan”;
7. to consider and, if deemed advisable, to ratify, confirm and approve the Restricted Share Unit Plan of the Company, and to authorize, among other things, the issuance of up to 5,000,000 common shares of the Company from treasury to satisfy the obligations of the Company thereunder. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading “PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of Restricted Share Unit Plan”; and
8. to transact such other business as may properly come before the Meeting or any adjournment thereof.

### **Candente Copper urges shareholders to review the Information Circular before voting.**

#### **Accessing Meeting Materials Online**

The Meeting Materials (and the financial statement request card) can be viewed online under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), or on the Company’s website: <http://www.candentecopper.com/s/AGM.asp>.

#### **Requesting Printed Meeting Materials**

Any registered shareholder who wishes to receive a paper copy of the Information Circular prior to the date of the Meeting should contact the Company at (604) 689-1957 or at the following toll-free number: 1-877-689-1964. Any Beneficial Shareholder (as defined in the Information Circular) who wishes to receive a paper copy of the Information Circular prior to the date of the Meeting should contact Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) at 1-877-907-7643. To obtain additional information about the Notice & Access Provisions, a shareholder may contact the Company at the following toll free number: 1-877-689-1964. To obtain a paper copy of the Information Circular after the date of the Meeting, please contact Joanne Freeze, the President, Chief Executive Officer and Corporate Secretary of the Company, at (604) 689-1957.

#### **Stratification**

The Company has determined that those registered and beneficial shareholders with existing instructions on their account to receive printed materials and those registered and beneficial shareholders with addresses outside of Canada and the United States will receive a printed copy of the Meeting Materials with this notice.

#### **Voting Process**

Registered Shareholders at the close of business on May 11, 2018, may vote in person at the Meeting or by proxy as follows:

*By telephone:* Call the toll-free number indicated on the proxy form and follow the instructions. If you choose to vote by telephone, you cannot appoint any person other than the directors/officers named on the form of proxy as your proxy holder.

*On the internet:* Go to the website indicated on the proxy form and follow the instructions on the screen. If you return your proxy via the internet, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided on the form of proxy. Complete your voting instructions and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

*By mail:* Complete the form of proxy and return it in the envelope provided. If you return your proxy by mail, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided in the form of proxy. Complete your voting instructions and date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

The deadline for receiving duly completed and executed forms of proxy or submitting your proxy by telephone or over the internet is by 10:00 a.m. (Pacific Time) on June 27, 2018, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting.

*Non-Registered Shareholders* may vote or appoint a proxy using their voting instruction form at least one business day in advance of the proxy deposit deadline noted on the form. You should carefully follow the instructions of your intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

**For Any Questions**

Shareholders with questions about Notice and Access can contact the Company at 1-877-689-1964.

Dated at Vancouver, British Columbia, on May 22, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Joanne C. Freeze"* (signed)  
President, Chief Executive Officer and Director



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## LETTER TO SHAREHOLDERS

May 22, 2018

Dear Shareholders:

The directors of Candente Copper cordially invite you to attend the annual general meeting (the “**Meeting**”) of the shareholders of the Company to be held at the offices of Gowling WLG, Suite 2300-550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5 on Friday, June 29, 2018 at 10:00 a.m. (**Pacific Time**).

The year of 2017 saw improved copper prices, staying above US\$2.50 per pound since January 2017, and reaching a high of US\$3.28 per pound in late December. To date copper prices in 2018 have been in the range of US\$2.98 to US\$3.23 per pound. In addition, the copper treatment and refining charges by smelters (“TCRCs”) have been decreasing indicating tightening supplies of copper concentrate. In 2017, Pan Pacific Copper (PPC), Japan’s biggest copper smelter, agreed to US\$92.50 a tonne and 9.25 cents a pound for most contracts but by April 2018 (Reuters) China Smelters Purchase Team fixed its “TC/RC floor”, the minimum level for concentrate purchases, at US\$78/7.8 cents per ton for Q2 2018.

Based on the previously completed project study work, Cañariaco Norte would be an economically robust project at current copper prices. After-tax economics are estimated as follows using fixed metal prices for Life of Mine: Cu \$2.50 lb, Au \$1,250/oz and Ag \$18.00/oz and an Income tax rate of 29.5% and labour profit sharing tax of 8% (as of Jan 2017): Net Present Value (“NPV”) is US\$982,400,000, Internal Rate of Return (“IRR”) is 16.9% with a Payback of 4.8 years. Please refer to the technical report dated Jan 18, 2011 and titled “Cañariaco Project, Lambayeque Department, Peru, NI 43-101 Technical Report on Pre-feasibility Study Progress Report”.

In March 2018, Martin Vizcarra took over as President of Peru and continues the same policies and mandates followed by the previous President, Pedro Pablo Kuczynski. Peru’s Central government is committed to continued economic development in Peru and is especially supportive of the mining industry as the engine of growth for the country. The Cañariaco project, has been included in various lists of Mining projects key to the development of Peru especially in the north and is the only mining project with a significant resource in the region of Lambayeque. To date Lambayeque receives only minimal funding from taxes paid by mining in Peru (Canon) as there are currently no mines in Lambayeque.

Merger and acquisition activity in the copper sector has remained extremely limited through 2017 and to date in 2018. The copper sector experienced a moderately improved environment for financings through 2017, and in September 2017, Candente Copper closed a non-brokered financing which raised US\$1,042,360. The financing was over-subscribed. The Company also completed the sale of one of its Peruvian subsidiaries, Compañía Minera Candente S.A. (a service company with no property assets) for a total amount of approximately US\$757,000 on November 29, 2017.

Management at Candente Copper has continued to minimize corporate costs and preserve the mineral rights at the Cañariaco, Don Gregorio and Arikepay properties in Peru.

On June 29, 2017 the Company entered into a definitive agreement (the "Agreement") to option the Don Gregorio Cu-Au porphyry project to Plan B Minerals ("Plan B"). In accordance with the Agreement, Plan B has the right to earn a 60% interest in the Don Gregorio property from Candente Copper's wholly owned subsidiary, Cobriza Metals Corp. ("Cobriza") by making payments totaling US\$500,000 to the Company and completing 10,000 metres of drilling within 3 years of receiving government drilling permits.

Looking ahead, the Company remains absolutely committed to the advancement of the Cañariaco project. We continue to focus on identifying opportunities to partner with entities that have the financial and technical strength to assist Candente Copper in getting Cañariaco advanced and increase shareholder value. Management also looks to strengthen the company's finances when a satisfactory opportunity presents itself.

The Company expects to resume drilling on the Cañariaco Sur deposit and initiate drilling on the Quebrada Verde target, both of which could add significant scope and value to the Cañariaco project as a whole with minimal funding. At Cañariaco Sur the focus is to determine the size of this deposit and to identify potential zones of higher grade mineralization, ultimately demonstrating its value both as a stand-alone deposit and/or as a blending opportunity for Cañariaco Norte. Drilling at the highly prospective yet undrilled Quebrada Verde copper gold porphyry target, on trend with Sur and Cañariaco Norte could add significant value by discovering a third deposit. The scope of development for Cañariaco Norte is well understood at this time, and given the higher costs associated with completion of the feasibility study, management plans to resume the feasibility work only when warranted.

The current subdued global interest for the copper sector will change as the industry cycle strengthens and we remain optimistic that the sector will see renewed interest, especially in significantly under-valued companies such as Candente Copper. As we have stated in the past, only a small number of large scale copper deposits in the advanced feasibility stage of development remain available in mining friendly jurisdictions that are not already owned by major mining companies. We remain very confident that the robust economics and sound development plan for Cañariaco Norte combined with the significant exploration upside potential of the Cañariaco Sur copper-gold-silver porphyry system and Verde copper-gold porphyry target has positioned the Cañariaco Copper project as one of the top copper projects available.

We would like to thank our Board of Directors for their guidance, our employees for their commitment and especially all of our shareholders for their support and patience.

Sincerely,

*"Joanne Freeze"*

Joanne Freeze, President, Chief Executive Officer and  
Director

**CANDENTE COPPER CORP.**

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**MANAGEMENT INFORMATION CIRCULAR**

(Containing information as at May 22, 2018, except as  
indicated otherwise)

**SOLICITATION OF PROXIES**

Candente Copper is providing this Information Circular in connection with management's solicitation of proxies for use at the annual general meeting of the Company (and any adjournment thereof) to be held on June 29, 2018 (the "**Meeting**"), at the time and place and for the purposes set forth in the notice of Meeting ("**Notice of Meeting**"). Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included.

The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the capital of the Company ("**Common Shares**") held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

The Company has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting, Proxy and/or voting instruction form ("**VIF**") and a financial statement request form but not this Information Circular, directly to its registered shareholders ("**Registered Shareholders**") and its beneficial shareholders ("**Beneficial Shareholders**").

**APPOINTMENT OF PROXYHOLDERS**

The individuals named ("**Management's Nominees**") in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting the desired person's name in the blank space provided in the form of proxy or by completing another form of proxy. A Proxy will not be valid unless the completed form of proxy is received by Computershare Trust Company of Canada ("Computershare" or the "Transfer**



Agent”), Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.

#### **REVOCABILITY OF PROXIES**

A Registered Shareholder of Common Shares who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (Attention: Brett Kagetsu), at any time up to and including the last business day preceding the day of the Meeting, with the Chair of the Meeting on the day of the Meeting or if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **EXERCISE OF DISCRETION**

The Common Shares represented by a properly executed Proxy in favour of Management’s Nominees in the accompanying form of Proxy will be voted or withheld from voting in accordance with the instructions of the person appointing the proxy holder on any ballot that may be taken and where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made in such Proxy. **ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR FOR WHICH BOTH CHOICES HAVE BEEN SPECIFIED, BY THE REGISTERED SHAREHOLDER.**

**The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.**

As of the date of this Information Circular management of the Company knows of no amendment, variation or other matter that may come before the Meeting but, if any amendment, variation or other matter properly comes before the Meeting, each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee’s best judgement.

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare, by mail or by hand to the Proxy Dept., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;
- (c) using the Internet via the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (d) using a Smartphone, scan the QR codes on the Proxy, in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

#### **BENEFICIAL (NON-REGISTERED) SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular, collectively, as "Beneficial Shareholders") should note that only Proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** 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 the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person in accordance with the procedures outlined in this section.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, 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 (or the agent of the broker) is similar to the form of Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United

States and in Canada. Broadridge typically prepares its own machine readable VIF, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return those forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by telephone, for example). 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 Broadridge VIF cannot use that VIF to vote Common Shares directly at the Meeting. That VIF must be returned to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by telephone), well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.**

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provision of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of Proxy-related materials directly (not via Broadridge) to such NOBOs.

Meeting materials sent to Beneficial Shareholders who have not waived their right to receive Meeting materials are accompanied by a request for a VIF. This form is provided instead of a Proxy. By returning the voting instruction form in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Voting instruction forms, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

The Company has adopted the notice and access procedure described in NI 54-101 and National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) to distribute its proxy-related materials to the Registered and Beneficial Shareholders. In addition, the Company has elected to pay to distribute its proxy-related materials to the OBOs.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” (VIF) THAT RELATES TO THIS INFORMATION CIRCULAR.**

## RECORD DATE AND VOTING SECURITIES

The Company has set the close of business on **Friday, May 11, 2018**, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only the Registered Shareholders, and those Beneficial Shareholders entitled to receive notice pursuant to NI 54-101 through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder’s name on the list of Shareholders as at the Record Date. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares, of which 178,924,819 were issued and outstanding as at the Record Date and the date hereof. Persons who are Registered Shareholders at the close of business on May 11, 2018, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

## ELECTION OF DIRECTORS

**Number of Directors** The board of directors (the “**Board**”) presently consists of seven (7) directors and it is intended to determine the number at and to elect seven (7) directors for the ensuing year. The term of office of each of the directors expires at the Meeting.

The Company has adopted a majority voting policy with respect to the election of directors. See Schedule “A”, “Statement of Corporate Governance Practices - Majority Voting Policy” for details.

**Unless holders provide other instructions, the enclosed Proxy will be voted for the nominees listed below, all of whom are presently members of the Board.** Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the Common Shares represented by the Proxy for the election of any other person or persons as directors.

In the following table and notes are the names of each person proposed to be nominated by management for election as a director (a “**proposed director**”), the province or state and country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the period of time for which he or she has been a director of the Company, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Province or State and Country of Residence and Position <sup>(1)</sup>	Present Principal Occupation <sup>(1)</sup>	Date of Appointment/Election as a Director	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed
<p>Joanne C. Freeze, P.Geo. British Columbia, Canada <i>President , CEO, Corporate Secretary and Director</i></p>	<p>Professional Geoscientist. CEO of the Company since July, 1997; President of the Company since March 2018</p>	<p>July 11, 1997</p>	<p>905,250<sup>(2)</sup> 3,164,531<sup>(3)(7)</sup></p>

<p>Sean I. Waller, P.Eng. British Columbia, Canada <i>Director</i></p>	<p>Professional Engineer. Director of the Company since July 2009; Formerly, President of the Company from July 2009 until March 2018; Vice-President Development of the Company from August 2008 until July 2009; Past President of the Canadian Institute of Mining, Metallurgy and Petroleum</p>	<p>July 10, 2009</p>	<p>863,000<sup>(2)</sup> 1,059,722<sup>(3)(8)</sup></p>
<p>Michael J. Thicke, M.Sc., P.Geo. British Columbia, Canada <i>VP Exploration and Director</i></p>	<p>Professional Geologist. Director and VP Exploration of the Company; was a senior member of BHP Billiton's global porphyry exploration group until April 2009</p>	<p>November 28, 2013</p>	<p>187,500</p>
<p>Andres J. Milla Comitre, M.A.Ec.<sup>(4)(5)</sup> Lima, Peru <i>Director</i></p>	<p>Professional Economist. Chief Investment Officer of Odebrecht Latinvest since 2014; formerly, CEO of First Capital Partners Peru from 2009 to 2014, and President and CEO of Credibolsa SAB, Lima, Peru, from 2006 to 2008</p>	<p>July 10, 2009</p>	<p>6,100<sup>(2)</sup></p>
<p>John E. Black, B.Sc., M.Sc. Geology<sup>(5)</sup> Colorado, USA <i>Director</i></p>	<p>Economic Geologist. Member of SEG and AusIMM. Formerly, President and Chief Executive Officer of Antares Minerals Inc.<sup>(6)</sup> from May 2004 until December 2010; Director, President &amp; CEO of Regulus Resources Inc. since May 2012</p>	<p>January 24, 2011</p>	<p>883,333</p>
<p>George Elliott, BA (Hons) LL.B <sup>(4)(5)</sup> Ontario, Canada <i>Director</i></p>	<p>Lawyer and independent director of various public companies with over 40 years' experience in corporate finance, new business development and relationship management</p>	<p>August 23, 2011</p>	<p>6,480<sup>(2)</sup></p>
<p>Paul H. Barry<sup>(4)</sup> North Carolina, USA <i>Independent Director</i></p>	<p>Thirty years of operating experience in mining and energy in senior executive roles. Director of the Company between</p>	<p>March 28, 2018</p>	<p>1,147,244</p>

	January 2015 and February 2017, returning in March 2018. Since 2013, Chief Executive Officer of Public Infrastructure Partners LLC. Currently, Chairman of Board of Directors of Candente Gold Corp. Previously served as Executive Vice President Strategy & Corporate Development at Hydro One Ltd. (September 2016 to December 2018) and Executive Vice President & Chief Financial Officer of Kinross Gold Corporation (2011-2012).		
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Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Common Shares beneficially owned, directly.
- (3) Common Shares beneficially owned, indirectly.
- (4) Member of the Audit Committee. Chair: George Elliott
- (5) Member of the Compensation and Corporate Governance Committee. Chair: John E. Black
- (6) Denotes publicly traded company.
- (7) Of this total, 1,570,031 Common Shares are held by Freeze Family Holdings Ltd. and 1,594,500 Common Shares are held by Ridley Rocks Inc., both companies controlled by Ms. Freeze.
- (8) Of this total, 1,024,722 Common Shares are held by SW Project Management Ltd., a company controlled by Mr. Waller; and 35,000 Common Shares are held by Deborah McLean, his spouse.

To the knowledge of the Company, no director or proposed director (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity of director, CEO or CFO of such company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO, or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of 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 proposed director; or

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

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

For the purposes of this Information Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the three most highly compensated executive officers of the Company including any subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2017, financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at December 31, 2017.

During the financial year ended December 31, 2017, the Company had three NEOs, Joanne C. Freeze, CEO, Sean I. Waller, President, and Faisel Hussein, CFO. Subsequently, during March of 2018, Sean Waller resigned as President and Faisel Hussein resigned as CFO. The current NEOs are Joanne C. Freeze, President and CEO and Alec Peck, CFO.

### **Compensation Governance**

The Compensation and Governance Committee discharges the Board’s responsibilities relating to compensation of the Company’s executive officers. Among other things, the Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the CEO, senior officers and other key employees and for recommending compensation for Directors.

The Compensation and Governance Committee performs any other duties or responsibilities delegated to the Compensation and Governance Committee by the Board from time to time.

### **Responsibilities of the Compensation and Governance Committee**

- (a) The Compensation and Governance Committee has the authority to engage and terminate independent legal, accounting or other advisors or consultants.
- (b) The Company provides for appropriate funding, as determined by the Compensation and Governance Committee, for payment of compensation to any consultants or other advisors employed by the Compensation and Governance

Committee, provided however that such funding will not exceed \$25,000 annually without the prior approval of the Board.

- (c) The Compensation and Governance Committee has the authority to engage and terminate compensation consultants to assist in the evaluation of Director or executive officer compensation and, subject to paragraph (b) above, the authority to approve the fees and other retention terms of such compensation consultants.
- (d) The Compensation and Governance Committee reviews and assesses the adequacy of its Charter periodically and recommends any proposed changes to the Board for approval.
- (e) The Compensation and Governance Committee annually reviews its own performance.

### **Reporting**

The Compensation and Governance Committee prepares any report relating to compensation required by the rules of the Exchange and the Commissions and reports on its activities to the Board.

### **Establishment of Executive Compensation Policies and Programs**

- (a) The Committee reviews all compensation arrangements for the CEO and other executive officers of the Company including salaries, bonus, incentive compensation and equity based compensation plans, and makes recommendations to the Board for their approval.
- (b) Without limiting the foregoing, the Committee reviews all proposed employment and retention agreements with any executive officer of the Company, as well as severance agreements that provide benefits in excess of those set forth in any severance and termination plans previously approved by the Committee or the Board.

### **Membership**

The Compensation and Governance Committee members currently are: Messrs. John Black (Chair), Andres J. Milla Comitre and George Elliott, all of whom are independent directors. The Compensation and Governance Committee has previous experience in, among other things, evaluating overall compensation policies, plans and practices as well as setting compensation for executive officers, overseeing and administering equity compensation plans and establishing employment, retention and severance arrangements for executive officers.

### **Share-based and Option-based Awards**

At the end of each reporting period, the Company's management reviews the performance of its NEOs during the year, against corporate and personnel goals that management has control over, to determine whether the Company should grant share-based and/or option-based awards. Management then proposes awards to the Compensation Committee. The Compensation Committee then reviews management's recommendations and passes a resolution recommending to the Board that options be granted to the Company's management. The Compensation



Committee also, plays an active role in reviewing existing equity incentive plans, under which option-based awards are granted. The Company has not granted any share-based awards.

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for the fiscal year ended December 31, 2017, and prior fiscal years has historically been based upon a negotiated salary or consulting fee, with stock options and bonus potentially being issued and paid as an incentive for performance. In each year, the Compensation and Governance Committee reviews the salary, bonus, stock options and other direct or indirect benefits for Management, considering all relevant matters including the goals of the Company and the effectiveness of management in achieving those goals, the skill, qualifications and level of responsibility of Management and compensation provided by comparative companies. Based on these factors, the Compensation and Governance Committee then makes recommendations to the Board.

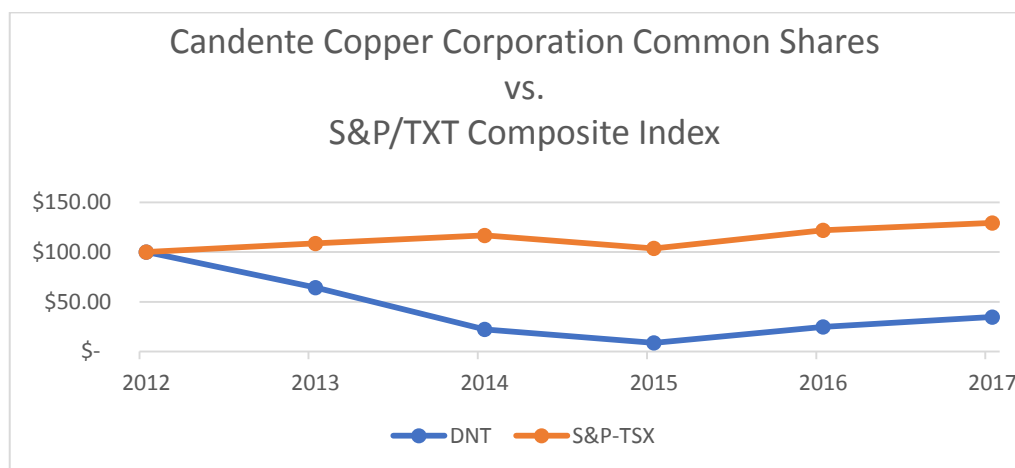
In each year, the Compensation and Governance Committee reviews management performance against corporate and individual goals set for the year. In taking into account corporate performance, it is recognized that many factors are beyond the control of management, such as foreign exchange, interest rates and metal prices. As a result, goals are based more on factors over which management can exercise control, such as advancement of the Company's projects, actual operating and capital expenditure costs as compared to budget and improvement of relationships with suppliers, Shareholders and partners. The Compensation and Governance Committee has not formally considered the implications of the risks associated with the Company's compensation policies and practices.

As the Compensation and Governance Committee assessed management's performance at year end December 31, 2017, it took into consideration the objectives of executive compensation related to the annual incentive bonus and the Company's stock option plan (the "**Option Plan**"). The Company's Option Plan was established to provide incentives to qualified persons to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer term operating performance of the Company. In determining the number of options to be granted to the executive officers each year, the Board takes into account the number of options, if any, previously granted to each executive officer, and the performance of that officer to the date options are granted each year. The Option Plan is the sole long term component of management compensation, and we believe helps ensure that compensation is closely aligned with Shareholder interests.

The Company has not placed a restriction on the purchase by its NEOs or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company's knowledge, none of the NEOs have purchased any such financial instruments.

**Performance Graph**

The following chart compares the total cumulative shareholder return on \$100 invested in common shares of Candente Copper on December 31, 2011, with the cumulative total returns of the S&P/TSX Composite Index for the five most recently completed financial years to December 31, 2017.



	2012	2013	2014	2015	2016	2017
<b>DNT</b>	\$ 100.00	\$ 64.20	\$ 22.22	\$ 8.64	\$ 24.69	\$ 34.57
<b>S&amp;P-TSX</b>	\$ 100.00	\$ 108.62	\$ 116.68	\$ 103.74	\$ 121.90	\$ 129.25

**Summary Compensation Table**

The following table sets forth all direct and indirect compensation, paid or payable, in connection with, services provided to the Company for the three most recently completed financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, in respect of the NEOs of the Company.

Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation	Total Compensation (\$) <sup>(3)</sup>
					Annual Incentive Plans	Long-Term Incentive Plans			
Joanne C. Freeze CEO & Director <sup>(9)</sup>	2017	66,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	66,000
	2016	70,161 <sup>(4)</sup> <sup>(5)</sup>	Nil	103,810	Nil	Nil	Nil	Nil	173,971
	2015	Nil	Nil	20,696	Nil	Nil	Nil	139,000	159,696
Sean I. Waller President <sup>(8)</sup> & Director	2017	36,000 <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	36,000
	2016	30,537	Nil	102,180	Nil	Nil	Nil	Nil	132,717
	2015	100,000 <sup>(6)</sup>	Nil	17,740	Nil	Nil	Nil	112,350	230,090
Faisal Hussein CFO <sup>(7)(8)</sup>	2017	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000
	2016	50,825	Nil	27,599	Nil	Nil	Nil	Nil	78,424
	2015	Nil	Nil	8,870	Nil	Nil	Nil	Nil	8,870

Notes:

- (1) Fiscal years ending December 31, 2015, 2016, and 2017.
- (2) Amount is based on the grant date fair value of the award for the financial year using the Black Scholes option pricing model using the following weighted average assumptions: volatility – Nil (2016 – 84.22%; 2015 – 72.28%); risk free interest rate – Nil (2016 – 1.35%; 2015 – 0.99%); expected life of options – Nil (2016 – 10 years; 2015 – 5 years;); estimated forfeiture rate Nil (2016 – 0%; 2015 – 0%)
- (3) NEOs who are also directors of the Company do not receive compensation for services rendered as a director.
- (4) Paid or accrued to Ms. Freeze directly or to Ridley Rocks Inc., of which Ms. Freeze is the principal.
- (5) \$49,830 was for FYE 2016; \$20,331 was for prior years
- (6) Paid or accrued to SW Project Management Ltd., of which Mr. Waller is the principal.
- (7) Mr. Hussein was appointed as acting CFO as of March 17, 2015.
- (8) Mr. Waller and Mr. Hussein both resigned in March 2018.
- (9) Ms. Freeze was appointed as President in March 2018.

**INCENTIVE PLAN AWARDS Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the NEOs.

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 (\$)
Joanne C. Freeze CEO & Director <sup>(2)</sup>	1,500,000	0.11	May 20, 2026	45,000	Nil	Nil
	700,000	0.05	November 16, 2020	63,000	Nil	Nil
	100,000	0.30	August 20, 2019	Nil	Nil	Nil
	350,000	0.30	January 23, 2019	Nil	Nil	Nil
	500,000	0.30	September 5, 2018	Nil	Nil	Nil
Sean I. Waller President <sup>(3)</sup> & Director	1,000,00	0.11	May 20, 2026	30,000	Nil	Nil
	100,000	0.30	August 20, 2019	Nil	Nil	Nil
	300,000	0.30	January 23, 2019	Nil	Nil	Nil
	500,000	0.30	September 5, 2018	Nil	Nil	Nil
Faisal Hussein, CFO <sup>(4)</sup>	380,000	0.11	May 20, 2026	11,400	Nil	Nil
	300,000	0.05	November 16, 2020	27,000	Nil	Nil

Notes:

- (1) This amount is calculated as the difference between the market value of the Common Shares underlying the options on December 29, 2017 (being the last trading day of the Common Shares for the financial year), which was \$0.14, and the exercise price of the options.
- (2) Ms. Freeze was appointed as President in March 2018.
- (3) Mr. Waller resigned as President in March 2018.
- (4) Ms. Hussein resigned as CFO in March 2018.

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

The value vested or earned during the most recently completed financial year of incentive plan awards granted to the Company's NEOs is presented below.

Name	Option-Based Awards – Value Vested During the year (\$)	Share-Based Awards – Value Vested During the year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the year (\$)
Joanne C. Freeze CEO & Director <sup>(6)</sup>	Nil	N/A	N/A
Sean I. Waller President <sup>(7)</sup> & Director	Nil	N/A	N/A

Faisal Hussein CFO <sup>(8)</sup>	Nil	N/A	N/A
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Notes:

- (6) Ms. Freeze was appointed as President in March 2018.
- (7) Mr. Waller resigned as President in March 2018.
- (8) Ms. Hussein resigned as CFO in March 2018.

**Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

**Termination and Change of Control Benefits**

The Company and its subsidiaries have no employment contracts with any NEOs, any contract, agreement, plan or arrangement that provides for payments to the NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEOs' responsibilities, except as follows: Pursuant to a management agreement (the "**RRI Management Agreement**") and a geological services agreement (the "**RRI Geological Services Agreement**" and collectively with the RRI Management Agreement, the "**RRI Agreements**") both made as of March 1, 2018, between the Company and Ridley Rocks Inc. ("**RRI**"), a company owned by Ms. Joanne Freeze, the Company's CEO. RRI provides geological consulting services and management services for fees totalling \$7,000 per month, subject to a review by the Company's Board of Directors each year. The RRI Geological Services Agreement also provides for the payment to RRI of a discretionary annual performance bonus to be determined by the Company's Compensation and Governance Committee, with an initial target bonus of \$50,000 (the "**RRI Target Bonus**"). The RRI Agreements may both be terminated by the Company with six months' notice and by making a severance payment of \$160,000. In the event the Company enters into a definitive agreement providing for a "change of control" (as defined in the RRI Geological Services Agreement) or a change of control of the Company occurs, RRI has the right under the RRI Geological Services Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the RRI Geological Services Agreement, whereupon the Company is required to pay to RRI a fee of \$500,000.

Pursuant to a consulting services agreement (the "**SWPM Agreement**") made as of March 15, 2018, between the Company and SW Project Management Ltd. ("**SWPM**"), a company owned by Mr. Sean Waller, the Company agreed to retain Mr. Waller to provide occasional consulting services on an "as needed" basis at the rate of \$100 per hour to a maximum of \$1,000 per day. In the event the Company enters into a definitive agreement providing for a "change of control" (as defined in the SWPM Agreement) or a change of control of the Company occurs, SWPM has the right under the SWPM Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the SWPM Agreement, whereupon the Company is required to pay to SWPM a fee of \$250,000. In addition, the SWPM Agreement provides for Severance payment of \$100,000 on termination of the consulting services, by the Company, without cause. Any Severance payment would be deducted from the COC payment.

Pursuant to a geological services agreement (the “**Michael Thicke Geological Services Agreement**” or “the **MTGS Agreement**”) made as of March 1, 2018, between the Company and Michael Thicke Geological Consulting Inc. (“**MTGC**”), a company owned by Mr. Michael Thicke, the Company agreed to retain Mr. Thicke to provide exploration consulting services on an “as needed” basis at the rate of \$100 per hour to a maximum of \$1,000 per day. In the event the Company enters into a definitive agreement providing for a “change of control” (as defined in the MTGS Agreement) or a change of control of the Company occurs, MTGC has the right under the MTGS Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the MTGS Agreement, whereupon the Company is required to pay to MTGS a fee of \$250,000. In addition, the MTGS Agreement provides for Severance payment of \$100,000 on termination of the consulting services, by the Company, without cause. Any Severance payment would be deducted from the COC payment.

For the purposes of the RRI Geological Services and Management Agreements, the SWPM Agreement and the MTGS Agreement a “change of control” shall be evidenced by the election or appointment of a majority of new directors of the Company not proposed by management or the acquisition by any person or by any person together with such person’s affiliates or associates, as such terms are defined in the *Securities Act* (British Columbia), and whether directly or indirectly, of common shares of the Company which, when added to all other common shares of the Company at the time held by such person and such person’s affiliates and associates, totals for the first time 50% or more of the outstanding common shares of the Company. The “change of control” will be in effect for each Consultant up to one year from the last day they provide service to the Company whether service is terminated by Resignation or Termination”.

### Director Compensation

The following table sets forth all amounts of compensation provided to directors who served in that capacity and were not NEOs for any part of the Company’s most recently completed financial year.

### Director Compensation Table

Name	Fees Earned (\$)	Option-Based Awards (\$)	All other Compensation	Total (\$)
John E. Black	Nil	Nil	Nil	Nil
Andres J. Milla Comitre	Nil	Nil	Nil	Nil
George Elliott	Nil	Nil	Nil	Nil
Michael J. Thicke	36,000	Nil	Nil	36,000
Federico L. Oviedo <sup>(1)</sup>	Nil	Nil	Nil	Nil

Paul H. Barry <sup>(2)</sup>	Nil	Nil	Nil	Nil
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Notes:

- (1) Mr. Oviedo resigned as a director effective March 26, 2018.
- (2) Mr. Barry resigned as a director effective February 28, 2017 and returned as a director effective March 28, 2018.

**Schedule of Directors' Fees**

Currently payable only when the Company's market capitalization exceeds \$75 million, to be reviewed by the Board of Directors. No additional fees paid for attendance at meetings. The fees payable to the directors of the Company are for their services as directors and as members of committees of the Board and are as follows:

Board or Committee Name	Annual Retainer	Annual Chair Retainer
Board of Directors	\$18,000	\$6,000
Audit Committee	\$2,500	\$6,000
Compensation and Governance Committee	N/A	\$3,000
Technical Advisory Team	N/A	\$3,000

**Incentive Plan Awards – Outstanding Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors of the Company who were not NEOs, during the most recently completed financial year.

Director Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>(1)</sup>
Andres J. Milla Comitre	200,000 <sup>(1)</sup>	0.05	November 16, 2020	\$18,000
	100,000	0.30	August 20, 2019	Nil
	200,000	0.30	January 23, 2019	Nil
	150,000	0.30	September 5, 2018	Nil
John E. Black	200,000 <sup>(1)</sup>	0.05	November 16, 2020	\$18,000
	100,000	0.30	August 20, 2019	Nil
	300,000	0.30	September 5, 2018	Nil

George Elliott	200,000 <sup>(1)</sup> 100,000 150,000	0.05 0.30 0.30	November 16, 2020 August 20, 2019 September 5, 2018	\$18,000 Nil Nil
Michael Thicke	600,000 400,000 100,000 150,000 500,000	0.11 0.05 0.30 0.30 0.30	May 20, 2026 November 16, 2020 August 20, 2019 January 23, 2019 September 5, 2018	\$18,000 \$36,000 Nil Nil Nil
Federico Oviedo <sup>(2)</sup>	200,000 <sup>(1)</sup> 100,000 250,000	0.05 0.30 0.30	November 16, 2020 August 20, 2019 January 23, 2019	\$18,000 Nil Nil
Paul Barry <sup>(3)</sup>	250,000 <sup>(1)</sup>	0.05	November 16, 2020	\$22,500

Notes:

- (1) This amount is calculated as the difference between the market value of the Common Shares underlying the options on December 29, 2017 (being the last trading day of the Common Shares for the financial year), which was \$0.14, and the exercise price of the options.
- (2) Mr. Oviedo resigned as a director, effective March 26, 2018.
- (3) Mr. Barry resigned as a director effective February 28, 2017 and returned as a director effective March 28, 2018.

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

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not NEOs is presented below. This is consistent with the Company’s methodology for measuring and expensing stock-based compensation. These figures do not represent actual cash outlays by the Company.

Director Name	Option-Based Awards - Value Vested During The Year (\$)	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Andres J. Milla Comitre	Nil	N/A	N/A
John E. Black	Nil	N/A	N/A
George Elliott	Nil	N/A	N/A
Michael J. Thicke	Nil	N/A	N/A
Federico L. Oviedo <sup>(1)</sup>	Nil	N/A	N/A
Paul H. Barry <sup>(2)</sup>	Nil	N/A	N/A

Notes:

<sup>(1)</sup>Mr. Oviedo resigned as a director, effective March 26, 2018.

<sup>(2)</sup>Mr. Barry resigned as a director effective February 28, 2017 and returned as a director effective March 28, 2018.

A description of the significant terms of the Option Plan is found under the heading “Securities Authorized for Issuance Under Equity Compensation Plans” below.



**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS** Equity Compensation Plan Information

The following table summarizes relevant information as of December 31, 2017, with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) and (c)) (c)
Equity compensation plans approved by security holders	11,579,500	\$0.19	2,830,800
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	11,579,500	\$0.19	2,830,800

The Option Plan is a rolling 10% plan under which the maximum aggregate number of Common Shares reserved by the Company for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis). As of the date of this Information Circular, the Company had 178,924,819 Common Shares issued and outstanding, meaning the maximum aggregate number of Common Shares reserved by the Company for issuance and which may be purchased upon the exercise of all Options shall not exceed 17,892,481 Common Shares. As at the date hereof, the Company had 11,579,500 Options issued and outstanding representing approximately 6.47% of the issued and outstanding Common Shares with a total of 6,312,981 Common Shares available for future issuance under the Company’s Option Plan and the other security-based compensation plans proposed to be adopted, ratified and confirmed at the Meeting (being the DSU Plan and RSU Plan (each as defined herein)), representing approximately 3.53% of the total 178,924,819 issued and outstanding Common Shares.

Shareholders will be asked at the Meeting to pass ordinary resolutions approving, ratifying and confirming the DSU Plan and the RSU Plan, which have been adopted by the Board on May 22, 2018 subject to receipt of the requisite approvals of the TSX and the Shareholders. See “PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of Deferred Share Unit Plan” and “PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of Restricted Share Unit Plan”.

The Board adopted the Option Plan in order to grant options to directors, officers, employees and consultants of the Company. The following is a brief description of the material provisions of the Option Plan.

*Administration:* The Option Plan shall be administered by a committee (the “**Committee**”) appointed by the Board. Subject to the limitations of the Option Plan and to any express direction by resolution of Board, the Committee shall have the full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver stock option agreements and bind the Company accordingly, to interpret the Option Plan and to adopt such rules, regulations and guidelines for carrying out the Option Plan as it may deem necessary or proper and to reserve, allot, fix the price of, and issue Common Shares pursuant to the grant and exercise of options, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Option Plan, taking into consideration the recommendations of the Board and management. The decision of the Committee shall be binding, subject to any express direction by resolution of the Board from time to time and further provided that a decision of the majority of persons comprising the Board in respect of any matter under the Option Plan shall be binding and conclusive for all purposes and upon all persons. If no Committee is appointed, the Option Plan shall be administered as set out above by the Board.

*Total number of securities issuable and securities issued under the Option Plan:* In accordance with the terms of the Option Plan, the aggregate number of Common Shares issuable under the Option Plan (together with any Common Shares that may be issuable pursuant to any other security-based compensation arrangements) must not exceed 10% of the issued Common Shares on the date on which an option is granted.

*Option Exercise Price:* The option exercise price of any option granted under the Option Plan shall be equal to or greater than the volume weighted average trading price of the Common Shares on the TSX for the 5 trading days prior to the date of grant (or, if the Common Shares are not then listed and posted for trading on the TSX, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Committee). In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or where the volume weighted average trading price does not, in the opinion of the Committee, reflect the current market price of the securities, the option exercise price of the options shall be determined by the Committee in its sole discretion.

*Blackout Expiration Term:* The Company may impose trading restricted periods on optionees due to the existence of material undisclosed information concerning the Company (a “**blackout period**”). In the circumstance where the end of the term of an option falls within a “blackout” or similar period imposed under any insider trading policy or similar policy of the Company, then the end of the term of such option shall be the tenth business day after the end of such blackout period. If the expiration date falls within two (2) business days after the end of a blackout period imposed by the Company, then the expiration date will be that date which is ten (10) business days after the end of the blackout period reduced by the number of business days between the original expiration date and the end of such blackout period (i.e. options whose original expiration date was two (2) business days after the end of the blackout period will only have an additional eight (8) business days to exercise).

*Amendment of Options Held by Insiders:* The approval of disinterested shareholders is required: (a) to reduce the exercise price of an option or to extend the term of an option if the optionee is an insider at the time of the proposed amendment; and (b) to amend the Option Plan to remove or exceed the insider participation limit that is set at 10% of the issued and outstanding Common Shares.

*Tax Withholding:* The Company has the right to deduct and withhold from any amount payable or consideration deliverable to an optionee, either under the Option Plan or otherwise, such amount or consideration as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the deduction, withholding or remittance of tax or any other required deductions or remittances with respect to awards under the Option Plan. The Company also has the discretion to satisfy any liability for any withholding obligations by withholding and selling, or causing a broker to sell, on behalf of any optionee such number of shares issued to the optionee pursuant to an exercise of options under the Option Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker and other costs and expenses), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the optionee under the Option Plan. The Company may require an optionee, as a condition to granting an option or the exercise of an option, to make such arrangements as the Company may require to satisfy applicable withholding obligations, including, without limitation (i) requiring the optionee to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the optionee to indemnify and reimburse the Company for any such withholding obligations; (iii) withholding and selling shares acquired by the optionee under the Option Plan, or causing a broker to sell such shares on behalf of the optionee, withholding from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company; or (iv) any combination thereof.

*Eligible participants under the Option Plan:* Persons eligible to participate under the Option Plan are persons providing services to the Company and who are directors, officers, employees and consultants of the Company or any subsidiary of the Company.

The Option Plan limits to not more than 10% of the issued Common Shares the following:

- (a) the total number of option shares issuable to insiders of the Company, at any time, under the Option Plan and all other security based compensation arrangements, and
- (b) the total number of option shares issued to insiders, during a one-year period, under the Option Plan and all other security based compensation arrangements.

*Vesting of Options:* Any options granted under the Option Plan shall vest in the optionee, and may be exercisable by the optionee in accordance with a vesting schedule to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, the length of service and the duties of the optionee.

*Terms of Options:* Options may be granted under the Option Plan exercisable over a period to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, the length of service and the duties of the optionee, such term to be set out in a stock option agreement.

*Causes of cessation of entitlement:* Any option, to the extent not validly exercised, may be terminated on an earlier date to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, reason for termination, the length of service and the duties of the optionee.

*Assignability of Options:* Options are not assignable or transferable by the optionee other than by will or the laws of descent and distribution and shall be exercisable during the optionee's lifetime only by the optionee.

*Amendment or termination of the Option Plan:* The Board may from time to time:

- (a) amend or revise the terms of the Option Plan, subject to TSX and Shareholder approval, if required; or
- (b) discontinue the Option Plan at any time,

provided however that no such amendment, revision or discontinuance may, without the consent of the optionee, adversely affect the optionee's rights under any option theretofore granted under the Option Plan.

The following types of amendments or revisions to the Option Plan do not require approval of the Company's Shareholders:

- (a) amendments of a "housekeeping" nature;
- (b) a change to the vesting provisions of the Option Plan or any option; and
- (c) a change to the termination provisions of the Option Plan or any option which does not entail an extension beyond the original expiry date.

The following types of amendments or revisions to the Option Plan, and any other amendments or revisions determined by the TSX, shall require approval of the Company's Shareholders:

- (a) any amendment to the number of Common Shares issuable under the Option Plan, including an increase to a fixed maximum number of Common Shares or a change from a fixed maximum number of Common Shares to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by Shareholders will not require an additional Shareholder approval;
- (b) any change to the eligible optionees that would have the potential of broadening or increasing insider participation;
- (c) the addition of any form of financial assistance to optionees or any amendment to a financial assistance provision that is more favourable to optionees;
- (d) the grant of any new option to an optionee who is an insider of the Company where the new option is granted within three months of the date of cancellation of a previous option with different terms held by the same insider and the terms of such new option would result in either a reduction in the exercise price or an extension of the term as compared to the previously cancelled option;
- (e) the addition of a deferred or restricted share unit or any other provision that results in optionees receiving Common Shares while no cash consideration is received by the Company;
- (f) any reduction in the option exercise price issue of options held by insiders;

- (g) any amendment that extends the term of options held by insiders beyond the original expiry;
- (h) any amendment which would permit options to be transferable or assignable other than for normal estate settlement purposes; and
- (i) any amendment to an amending provision in the Option Plan.

*Cashless Exercise:* The Option Plan contains a cashless exercise provision whereby the Committee may, in its discretion, provide an optionee with the right and option to exercise an option by electing receive Common Shares equal in value to the difference between the exercise price and the market price of the Common Shares on the date of exercise, pursuant to a formula set out in the Option Plan.

*Adjustments:* Each option contains uniform provisions in such form as may be approved by the Committee to appropriately adjust the number and kind of Common Shares covered by the option and the exercise price of Common Shares subject to the option in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (the "**Change in Capitalization**") (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the optionee by such option. The number of Common Shares available for options under the Option Plan shall be adjusted to reflect the Change of Capitalization, the number of Common Shares receivable on the exercise of an option granted under the Option Plan shall be adjusted to include or reflect the number of Common Shares which the optionee would have received upon such Changes in Capitalization as if the optionee had exercised the option immediately prior to the record date applicable to such Change in Capitalization, and the exercise price of the option shall be adjusted appropriately by the Committee and such adjustment shall be effective and binding for all purposes of the Option Plan, provided, however, that no adjustment will obligate the Company to issue or sell fractional shares.

*Annual Burn Rate:* The following table summarizes the burn rate (being the number of options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year) in respect of the Option Plan for the past three years:

<b>Fiscal Year</b>	<b>Burn Rate</b>
2017	0.00%
2016	2.69%
2015	2.47%

#### **INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS**

At any time during the Company's last completed financial year, no director, executive officer or employee or proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries, or is or has been

indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

#### **APPOINTMENT OF AUDITOR**

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, is the Company's auditor. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditor of the Company at a remuneration to be determined by the directors.

#### **MANAGEMENT CONTRACTS**

Except as disclosed herein, no management functions of the Company are performed to any substantial degree by persons other than the directors and officers of the Company. Please see "Summary Compensation Table" and "Termination and Change of Control Benefits" above for a summary of the Company's management contracts.

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

Except as set out in this Information Circular, no person who has been a director or executive of the Company at any time since the beginning of the Company's last financial year nor any proposed nominees for election as director of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

No informed person of the Company or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means:

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of Deferred Share Unit Plan

On May 22, 2018, the Board adopted the Deferred Share Unit Plan (the "**DSU Plan**"), a copy of which is attached hereto as Schedule "B", subject to receipt of the requisite approvals of the TSX and the Shareholders. The purpose of the DSU Plan is to advance the interests of the Company and its subsidiaries by: (i) increasing the proprietary interests of non-executive directors in the Company; (ii) aligning the interests of non-executive directors with the interests of the Shareholders generally; and (iii) furnishing non-executive directors with an additional incentive in their efforts on behalf of the Company.

Shareholders will be asked at the Meeting to pass ordinary resolutions approving, ratifying and confirming the DSU Plan, and approving the issuance of up to 5,000,000 Common Shares under the DSU Plan (collectively, the "**DSU Plan Resolutions**").

The following is a summary of the principal terms of the DSU Plan, which is qualified in its entirety by reference to the text of the DSU Plan, a copy of which is attached hereto as Schedule "B":

- The maximum number of Common Shares made available for issuance from treasury under the DSU Plan, subject to certain adjustments described in the DSU Plan, shall not exceed 5,000,000 Common Shares (representing approximately 2.8% of the total issued and outstanding Common Shares as of the date of this Information Circular, calculated on an undiluted basis), provided, however, that the number of Common Shares reserved for issuance from treasury under the DSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- Non-executive members of the Board who are designated by the Board (or such other committee of the directors appointed to administer the DSU Plan) may participate in the DSU Plan ("**DSUP Participants**"). DSUP Participants may be granted deferred share units of the Company ("**DSUs**"), represented by a notional bookkeeping entry on the books of the Company with each DSU having a value equal, on any particular date, equal to the volume weighted average trading price of the Common Shares for the five (5) consecutive trading days prior to such date ("**Market Value**").
- In addition, DSUP Participants may elect to receive DSUs in lieu of cash remuneration in respect of his or her annual retainer, committee retainer and meeting fees (or any portion thereof). The number of DSUs to be notionally credited to DSU Participants in lieu of cash remuneration shall be determined on a quarterly basis, as of the final day of any quarterly period, calculated as the quotient obtained when (i) the aggregate value of the cash remuneration that would have been paid to such DSU Participant, is divided by (ii) the Market Value as of the last day of such quarterly period.
- The grant of DSUs under the DSU Plan is subject to a number of restrictions:

- the aggregate number of Common Shares issuable at any time to Insiders (as defined in the DSU Plan) under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - within any one-year period, the Company shall not issue to Insiders under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Company under the DSU Plan (alone or when combined with all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed 1% of the Company's total issued and outstanding Common Shares; and
  - the value of Common Shares associated with grants to any individual non-employee director of the Company under the DSU Plan (alone or when combined with grants under all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed \$150,000 annually.
- The Board (or such other committee of the directors appointed to administer the DSU Plan) shall determine, at its sole discretion, the size of grants in respect of any DSUP Participant.
- Whenever cash or other dividends are paid on Common Shares, additional DSUs will be automatically granted to each DSUP Participant who holds DSUs on the record date for such dividends. The number of such DSUs to be credited to such DSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such DSUP Participant if the DSUP Participant's DSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares.
- DSUs shall be adjusted (at the Board's sole discretion) to reflect changes affecting the Company as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders or any other change affecting the Common Shares.
- A DSUP Participant may select a date to receive settlement for his or her DSUs on any date following his or her termination, but no later than December 15 of the calendar year following such Termination (the "**Settlement Date**"), by completing and delivering a "Redemption Notice" to the Company.
- On the Settlement Date, the DSUP Participant (or his or her succession) shall be entitled to receive, in accordance with the prior election of such DSUP Participant, either: (i) one (1) Common Share for each DSU credited to the DSUP Participant's account on the Settlement Date, (ii) a lump sum cash payment equal to the Market Value on the Settlement Date of one (1) Common Share for each DSU credited to the DSUP



Participant's account on the Settlement Date, or (iii) any combination of the foregoing (subject to the discretion Board (or such other committee of directors appointed to administer the DSU Plan) to settle by alternative form provided for under the DSU Plan).

- The Company will deduct or withhold from any payment or settlement in Common Shares, for the benefit of a DSUP Participant, any amount required in order to comply with the applicable provisions of any federal or provincial law relating to the withholding of tax or the making of any other source deductions, including on the amount, if any, included in income of a DSUP Participant. The obligation of the Company to deliver payment or Common Shares in settlement of DSUs, for the benefit of a DSUP Participant, is conditional upon the DSUP Participant paying such amount as may be requested for the purpose of satisfying any liability in respect of such withholding.
- Upon a Change of Control (as defined in the DSU Plan), all outstanding DSUs will remain outstanding, unless the DSUP Participant's Board mandate is terminated as a result of the Change of Control.
- DSUP Participants have no claim or right to any Common Shares pursuant to the DSU Plan. DSUs shall not be considered Common Shares nor shall they entitle any DSUP Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares.
- The Board (or such other committee of the directors appointed to administer the DSU Plan) may from time to time amend, suspend or terminate (and re-instate) the DSU Plan in whole or in part or amend the terms of DSUs credited in accordance with the DSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. If any such amendment, suspension or termination will materially or adversely affect the rights of a DSUP Participant with respect to DSUs credited to such DSUP Participant, then the written consent of such DSUP Participant to such amendment, suspension or termination shall be obtained. However, a DSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited DSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- The Board has broad discretion to amend the DSU Plan without seeking the approval of Shareholders, including, without limitation, amendments to the DSU Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty. However, the Company may not make the following amendments to the DSU Plan without the approval of Shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the DSU Plan; (iii) an amendment to modify the definition of "Eligible Director" in the DSU Plan; or (iv) an amendment to the amending provision within the DSU Plan.
- If the Board (or such other committee of the directors appointed to administer the DSU Plan) terminates the DSU Plan, DSUs previously credited to DSUP Participants will

remain outstanding and in effect and be settled in due course in accordance with the terms of the DSU Plan.

- Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a DSUP Participant under the DSU Plan is assignable or transferable.

The above summary is qualified in its entirety by the full text of the DSU Plan, which is set out in Schedule "B" to this Circular. The Board encourages shareholders to read the full text of the DSU Plan before voting on the DSU Plan Resolutions.

On May 22, 2018, the Board unanimously passed a resolution approving the DSU Plan and the issuance of up to 5,000,000 Common Shares under the DSU Plan. The Board recommends that Shareholders vote for the DSU Plan Resolutions. As of the date of this Circular, there are no entitlements outstanding under the DSU Plan.

The DSU Plan Resolutions are ordinary resolutions, which must be passed by more than 50% of the votes cast by those Shareholders entitled to vote, whether case in person or by proxy. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR the DSU Plan Resolutions.**

The DSU Plan Resolutions, which must be approved by the holders of a majority of the Common Shares voting at the Meeting, is as follows:

"BE IT RESOLVED as ordinary resolutions of Candente Copper Corp. that:

1. the adoption of the DSU Plan as described in the management information circular of the Company dated May 22, 2018 is hereby approved, ratified and confirmed;
2. the issuance of up to the maximum number of 5,000,000 Common Shares issuable upon the redemption of DSUs under the DSU Plan is hereby authorized and approved;
3. the Company is hereby authorized and directed to issue such Common Shares pursuant to the DSU Plan as fully paid and non-assessable common shares of the Company; and
4. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolution."

The Board recommends that Shareholders vote in favour of the DSU Plan Resolutions. Unless a Shareholder directs that his or her Common Shares are to be voted against this resolution, the persons named in the enclosed form of proxy intend vote **FOR** the DSU Plan Resolutions.

## Approval of Restricted Share Unit Plan

On May 22, 2018, the Board adopted the Restricted Share Unit Plan (the "**RSU Plan**"), a copy of which is attached hereto as Schedule "C", subject to receipt of the requisite approvals of the TSX and the Shareholders. The purpose of the RSU Plan is to advance the interests of the Company and its subsidiaries by: (i) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability, (ii) allowing certain executive officers and key employees of the Company and its subsidiaries to participate in the long term success of the Company, and (iii) promoting a greater alignment of interests between the executive officers and key employees designated under the RSU Plan and the Shareholders.

Shareholders will be asked at the Meeting to pass ordinary resolutions approving, ratifying and confirming the RSU Plan, and approving the issuance of up to 5,000,000 Common Shares under the RSU Plan (collectively, the RSU Plan Resolutions).

The following is a summary of the principal terms of the RSU Plan, which is qualified in its entirety by reference to the text of the RSU Plan, a copy of which is attached hereto as Schedule "C":

- The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 5,000,000 Common Shares (representing approximately 2.8% of the total issued and outstanding Common Shares as of the date of this Information Circular, calculated on an undiluted basis), provided, however, that the number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- The Board (or such other committee of the directors appointed to administer the RSU Plan), upon recommendation from the President and/or Chief Executive Officer, from time to time in their sole discretion designates the executives and key employees entitled to participate in the RSU Plan ("**RSUP Participants**"). Restricted share units ("**RSUs**") are granted to RSUP Participants at the discretion of the RSUP Committee.
- The grant of RSUs under the RSU Plan is subject to a number of restrictions:
  - the aggregate number of Common Shares issuable at any time to Insiders (as defined in the RSU Plan) under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - within any one-year period, the Company shall not issue to Insiders under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Company under the RSU Plan (alone or when

combined with all of the other security- based compensation arrangements of the Company and its subsidiaries) shall not exceed 1% of the Company's total issued and outstanding Common Shares; and

- the value of Common Shares associated with grants to any individual non-employee director of the Company under the RSU Plan (alone or when combined with grants under all of the other security- based compensation arrangements of the Company and its subsidiaries) shall not exceed \$150,000 annually.
- Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the record date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.
- Vesting and settlement provisions under the RSU Plan are as follows:
  - Subject to the discretion of the Board (or such other committee of the directors appointed to administer the RSU Plan), RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date a RSU is awarded).
  - The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed by the Company and/or a subsidiary on the date specified in the RSU Award Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the RSU Award Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Board (or such other committee of the directors appointed to administer the RSU Plan), all in accordance with the RSU Award Agreement.
  - Within 10 days following the vesting date, the RSUP Participant (or his or her succession) shall be entitled to receive, in accordance with the prior election of such RSUP Participant, either: (i) one (1) Common Share for each RSU credited to the RSUP Participant's account on the settlement date, (ii) a lump sum cash payment equal to the Market Value on the settlement date of one (1) Common Share for each RSU credited to the RSUP Participant's account on the settlement date, or (iii) any combination of the foregoing (subject to the discretion Board (or

such other committee of directors appointed to administer the RSU Plan) to settle by alternative form provided for under the RSU Plan.

- Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest, irrespective of any performance vesting conditions.
- RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders or any other change affecting the Common Shares.
- If a RSUP Participant ceases to be an employee as a result of termination for cause, or as a result of a voluntary termination, all of the RSUP Participant's outstanding RSUs will be terminated.
- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or long-term disability, the time vesting component of RSUs will be subject to the following considerations:
  - In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant.
  - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be pro-rated based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.
- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the performance vesting component of RSUs will be subject to the following considerations:
  - In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such pro-rated calculation will be multiplied by the performance percentage determined by the Board (or such other committee of directors appointed to administer the RSU Plan).
  - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the sum of

(i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or long- term disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.

- A voluntary resignation will be considered as retirement if the RSUP Participant has reached normal retirement age under the Company's benefit plans or policies, unless the Board (or such other committee of directors appointed to administer the RSU Plan) decides otherwise at its sole discretion.
- The Board (or such other committee of the directors appointed to administer the RSU Plan) may from time to time amend, suspend or terminate (and re-instate) the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, then the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- The Board has broad discretion to amend the RSU Plan without seeking the approval of Shareholders, including, without limitation, to make the following amendments: (i) an amendment to the RSU Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty; (ii) an amendment to the vesting provisions of an RSU or the RSU Plan; (iii) an amendment to the termination provisions of an RSU or the RSU Plan which does not entail an extension beyond the original expiry date thereof. However, the Company may not make the following amendments to the RSU Plan without the approval of Shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the RSU Plan; (iii) an amendment to extend the term of an RSU for the benefit of an Insider; or (iv) an amendment to the amending provision within the RSU Plan.
- If the Board (or such other committee of directors appointed to administer the RSU Plan) terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.
- Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a RSUP Participant under the RSU Plan is assignable or transferable.

The above summary is qualified in its entirety by the full text of the RSU Plan, which is set out in Schedule "C" to this Circular. The Board encourages shareholders to read the full text of the RSU Plan before voting on the RSU Plan Resolutions.

On May 22, 2018, the Board unanimously passed a resolution approving the RSU Plan and the issuance of up to 5,000,000 Common Shares under the RSU Plan. The Board recommends that Shareholders vote for the RSU Plan Resolutions. As of the date of this Circular, there are no entitlements outstanding under the RSU Plan.

The RSU Plan Resolutions are ordinary resolutions, which must be passed by more than 50% of the votes cast by those Shareholders entitled to vote, whether case in person or by proxy. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR the RSU Plan Resolutions.**

The RSU Plan Resolutions, which must be approved by the holders of a majority of the Common Shares voting at the Meeting, is as follows:

"BE IT RESOLVED as ordinary resolutions of Candente Copper Corp. that:

1. the adoption of the RSU Plan as described in the management information circular of the Company dated May 22, 2018 is hereby approved, ratified and confirmed;
2. the issuance of up to the maximum number of 5,000,000 Common Shares issuable upon the redemption of RSUs under the RSU Plan is hereby authorized and approved;
3. the Company is hereby authorized and directed to issue such Common Shares pursuant to the RSU Plan as fully paid and non-assessable common shares of the Company; and
4. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolution."

The Board recommends that Shareholders vote in favour of the RSU Plan Resolutions. Unless a Shareholder directs that his or her Common Shares are to be voted against this resolution, the persons named in the enclosed form of proxy intend vote **FOR** the RSU Plan Resolutions.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of Proxy to vote the shares represented thereby on such matter in accordance with their best judgement.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The corporate governance practices adopted by the Company are set out in the attached Schedule “A”.

## AUDIT COMMITTEE INFORMATION

Information regarding the Company’s Audit Committee, together with a copy of the Audit Committee’s charter, is contained in the Company’s Annual Information Form (“AIF”) dated March 31, 2018, with respect to the financial year ended December 31, 2017. A copy of the AIF is available for review by the public under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at [www.candentecopper.com](http://www.candentecopper.com). The AIF may also be obtained free of charge by sending a written request to the attention of the Company’s Secretary at Suite 1100, 1111 Melville Street, Vancouver, BC V6E 3V6.

## ADDITIONAL INFORMATION

Additional information relating to the Company is on the Company’s Profile on SEDAR located at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6, Telephone: 604-689-1957, Fax: 604-484-7143 or email: [info@candentecopper.com](mailto:info@candentecopper.com) to request copies of the Company’s financial statements and management’s discussion and analysis (“**MD&A**”).

Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year, which financial statements and MD&A are filed on SEDAR.

## APPROVAL OF DIRECTORS

The contents and sending of this Information Circular, including the Notice of Meeting, have been approved and authorized by the Board of Directors of the Company.

**Dated May 22, 2018**

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “*Joanne Freeze*”  
President, Chief Executive Officer and Director



## SCHEDULE “A”

### **CORPORATE GOVERNANCE DISCLOSURE - CANDENTE COPPER CORP.**

NI 58-101 requires the Company to disclose information about its corporate governance practices on an annual basis. This disclosure must be made against the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (the “**Guidelines**”).

The Company’s board of directors (the “**Board**”) has adopted certain corporate governance policies to reflect the Company’s commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F1 – *Corporate Governance Disclosure*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company’s approach to corporate governance issues.

#### **Board of Directors**

NI 52-110 sets out the standard for director independence. 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, be reasonably expected to interfere with the exercise of a director’s independent judgement. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board is currently composed of seven persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, a majority of the Board is independent as four of the seven members of the Board are independent. The members who are independent are Andres J. Milla Comitre, John E. Black, George Elliott, and Paul H. Barry. Joanne C. Freeze, Sean I. Waller and Michael Thicke are not independent by virtue of the fact that they are, respectively, President and CEO, Director and VP Exploration of the Company.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

<b>Other reporting issuers of which the Company’s directors are also directors</b>	
<b>Name of Director</b>	<b>Names of Reporting Issuers</b>
Joanne C. Freeze	Candente Gold Corp.
Sean I. Waller	East Africa Metals Inc.
John E. Black	Regulus Resources Inc. and Chakana Copper Corp.
George Elliott	Urbana Corporation and Medworxx Solutions Inc.

Paul H. Barry	Candente Gold Corp.
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The independent directors do not have regularly scheduled meetings in the absence of the non-independent directors. On occasions where it is considered advisable, the Company's independent directors will and do hold meetings at which non-independent directors and members of management are not in attendance. As all but three of the current directors are independent, the Board does not believe it is presently necessary to have any formal structure or procedures in place to ensure that the Board can function independently of management and is of the view that the current Board structure is sufficient to facilitate open and candid discussion among independent directors. The independent directors met one time in the absence of management during the period since the beginning of the Company's most recently completed financial year. It is the Company's policy to have in-camera sessions with only independent directors present as part of the agenda for all Board meetings.

The Board presently does not have an independent director as the Chair. Joanne Freeze, a non-independent director, acted as Chair until May 15, 2013. Ms. Freeze still generally chairs the meetings of the Board and actively seeks out the views of the independent directors on all Board matters. This combined with the ability of the independent directors to meet as a group independently of any management directors whenever deemed necessary, provides and promotes the leadership of the Company's independent directors. Despite this, it is the intention for an independent Chair to be appointed as soon as possible following the AGM in accordance with Corporate Governance best practices. The primary role of the Chair is to chair all meetings of the Board and Shareholders meetings, and to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chair's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication and works together with the Company's other committees to ensure that a process is in place by which the effectiveness of the Board, its committees and its individual directors can be evaluated on a regular basis. The Chair also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public, and, in addition, ensuring that management strategies, plans and performance are appropriately represented.

The table below sets out the attendance of the directors at the six (6) Board meetings held during the 2017 financial year.

Director	Board Meetings
Joanne C. Freeze	6 out of 6
Sean I. Waller	6 out of 6
Andres J. Milla	5 out of 6
John E. Black	4 out of 6
George Elliott	6 out of 6
Michael J. Thicke	5 out of 6

Federico L. Oviedo <sup>(2)</sup>	4 out of 6
Paul H. Barry <sup>(1)</sup>	N/A

<sup>(1)</sup> Mr. Barry resigned as a director effective February 28, 2017 and returned as a director in March 28, 2018.

<sup>(2)</sup> Mr. Oviedo resigned as a director effective March 26, 2018.

### **Board Mandate**

The mandate of the Board is contained in the Company's Corporate Governance Policy and is as follows:

"The mandate of the Board is to oversee the management of the business and affairs of the Company. The Board shall have responsibility for the stewardship of the Company and shall assume responsibility for the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks to the business of the Company and the implementation of systems to manage such risks;
- appointing, training and monitoring senior management and planning for succession of senior management;
- establishing a communications policy for the Company; and
- ensuring the integrity of the Company's internal control and management information systems."

### **Position Description for Chair**

The Board has not adopted a formal written position description for the Chair of the Board and does not currently have a Chair. From September 2011 until May 2013, Joanne Freeze held the positions of CEO and Chair. The position of Chair is currently vacant and it is anticipated that an independent Chair will be appointed soon.

Currently, the Board, as a whole, works with the CEO to ensure that the Board functions effectively and meets its obligations and responsibilities. See "Board Committees" below for information with respect to the position descriptions for the Chair's of the Audit Committee and Compensation and Governance Committee.

### **Position Description for CEO**

The Board does not have a written position description for the CEO, but considers the CEO to be primarily responsible for the day to day operations of the Company and for preparing the Company's strategic plans and budgets for approval by the Board. The CEO is ultimately responsible for the execution of the Company's strategic plan and for meeting the Company's budget. The general duties and responsibilities of the CEO are set out in the employment agreement between the CEO and the Company, which were developed by the Company in consultation with CEO at the time that agreement was entered into on January 1, 2010.

### **Orientation and Continuing Education**

The Company does not currently have a formal orientation or continuing education process in place. New directors are furnished with appropriate documentation relating to the Company's business activities and internal organization, and are encouraged to spend time with management

and incumbent directors in order to familiarize themselves with the Company's business and operations, as well as the role of the Board, its committees and its directors. Both new and incumbent directors are also encouraged to communicate with management, auditors, technical consultants and legal counsel to keep themselves current with industry trends and developments and changes in legislation. Management regularly provides corporate updates at scheduled meetings of the Board and passes along updates regarding legal and regulatory changes received from its legal and other professional advisors when such information is relevant to the Board. Going forward, the Company is arranging for an annual educational session to be provided to the Board by the Company's legal counsel. The Company may also pay the reasonable costs of attendance by directors at continuing education courses and seminars with respect to corporate governance, directors' duties and obligations and similar matters upon request. The Company's directors are experienced corporate directors and six of the nine serve as directors of other public companies where they receive various degrees of additional formal and informal continuing education and are also kept apprised of issues relevant to publicly traded mineral exploration companies. Most of the Company's directors are also members of professional associations through which they also receive relevant continuing education. If the growth of the Company's operations and/or increased turnover of the Board warrants it, the Board would consider implementing further formal orientation and/or continuing education process.

#### **Ethical Business Conduct**

The Company adopted a Code of Ethics which was approved on March 5, 2009. The Company's Code of Ethics affirms the Company's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. Most of the Company's directors are also members of professional associations which have disciplinary and practice review boards and processes. While the Company's business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty and transparency is the essential standard of integrity in any locale of the Company's business. Thus, though local customs may vary, the Company's activities are to be based on honesty, integrity and respect. The Company's Code of Ethics is posted on the Company's profile on SEDAR and is posted on the Company's website [www.candentecopper.com](http://www.candentecopper.com).

The Company adopted a Whistleblower Policy on February 24, 2009, which allows its directors, officers and employees who feel that a violation of the Code of Ethics has occurred, and/or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through a Compliance Hot Line, to lawyers independent of the Company, fluent in English and Spanish, and is available in both Peru and Canada to all directors, officers and employees. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Whistleblower Policy and the procedures it establishes assist the Board in monitoring compliance with the Code of Ethics.

The Company's Whistleblower Policy in both English and Spanish languages is available on the Company's website [www.candentecopper.com](http://www.candentecopper.com).

The Company has not filed any material change reports since the beginning of its most recently completed financial year that pertains to any departures from the Code of Ethics by any director or executive officer of the Company.

In addition to the provisions of the Code of Ethics, the directors and officers of the Company are bound by the provisions of the Company's Articles and the *Business Corporations Act* (British Columbia), which contain detailed provisions as to how any conflicts of interests are to be dealt with. In particular, any director who has a material interest in a particular transaction is required to disclose such interest to the Company and to abstain from voting with respect to the approval of such transaction.

In addition, the Board has also adopted a Corporate Governance Policy on May 11, 2005, and a Corporate Disclosure Policy on March 25, 2009. The Corporate Governance Policy establishes the mandate of the Board and sets out various matters with respect to the corporate governance of the Company, including requirements with respect to the independence of Board members, matters relating to Board composition and Board Committees, employee and insider trading guidelines and accounting services approval. The Corporate Disclosure Policy is applicable to all employees and is intended to ensure that communications to the public about the Company are timely, factual and accurate and are broadly disseminated in accordance with applicable legal and regulatory requirements. Copies of the Corporate Governance Policy and Corporate Disclosure Policy are available on the Company's website at [www.candentecopper.com](http://www.candentecopper.com).

#### **Majority Voting Policy**

On May 15, 2015, the Board adopted a "Majority Voting Policy" as required by the policies of the TSX. Pursuant to the Majority Voting Policy, each director of the Company must be elected by a majority (50%+1 vote) of the votes cast with respect to his or her election in an uncontested election of directors (an "Uncontested Election") (a contested election of directors is any election of directors where (i) the number of nominees exceeds the number of directors to be elected as set out in the management information circular and/or (ii) proxies are being solicited by or on behalf of any person or group other than management of the Company). The form of proxy for meetings of the shareholders of the Company at which directors are to be elected provide the option of voting in favour, or withholding from voting, for each individual nominee to the Board. In any Uncontested Election of directors at a meeting of shareholders of the Company at which a quorum has been confirmed, any nominee for director, duly elected in accordance with the requirements of the *Business Corporations Act* (British Columbia), who receives a greater number of votes withheld from his or her election than votes for his or her election, of the shares represented in person or by proxy at the meeting and voted on the election of directors, will promptly tender his or her resignation to the Company. In the event that any director does not tender his or her resignation in accordance with the Majority Voting Policy, he or she will not be re-nominated by the Board. Following receipt of a resignation submitted pursuant to the Majority Voting Policy, the Company's Compensation and Governance Committee shall consider whether or not to accept the offer of resignation and shall recommend to the Board whether or not to accept it. With the exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Compensation and Governance Committee shall be expected to accept and recommend acceptance of the resignation by the Board. In considering whether or not to accept the resignation, the Board will consider factors that may be provided as guidance by the TSX and all factors deemed relevant by the Board including, without limitation, the stated reasons why shareholders withheld votes from the

election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Company, and the Company's legal obligations under applicable laws. Promptly following the applicable meeting of the shareholders of the Company, the Board shall make its decision about whether or not to accept a director's offer of resignation pursuant to the Majority Voting Policy. In making its decision, the Board will consider such additional information and factors that the Board considers to be relevant. The Company must promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision. A director who tenders his or her resignation pursuant to the Majority Voting Policy shall not be permitted to participate in any meeting of the Board at which his or her resignation is to be considered. In the event that a sufficient number of the Board members did not receive a majority of the votes cast in the same election, such that the Board no longer has a quorum, then such directors who did not receive a majority of the votes cast shall not be permitted to vote in any Board meeting at which his or her resignation offer is considered, but he or she shall be counted for the purpose of determining whether the Board has a quorum. If a director's resignation is not accepted by the Board: (a) such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal, as provided for in the Company's Articles, as they may be amended, restated and/or supplemented from time to time; or (b) the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances. If a resignation is accepted in accordance with the Majority Voting Policy, the Board may in accordance with the provisions of the Company's Articles, as they may be amended, restated and/or supplemented from time to time, appoint a new director to fill any vacancy created by the resignation.

#### **Board Committees**

The Board has two committees: the Audit Committee and the Compensation and Governance Committee. The committees and their memberships are described below.

#### *Audit Committee*

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- oversee the process of selecting and appointing an auditor;
- oversee the conduct of the audit;
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- ensure the independence of the Company's auditor in accordance with applicable standards and monitor the auditor's performance; and
- provide an avenue of communication between and amongst the Company's auditors, management and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company

that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. During the period since the beginning of the Company's most recently completed financial year the Audit Committee met once in the absence of management. It is the Company's policy for the Audit Committee to have in-camera sessions with the Company's auditors during the meetings in which that auditors are involved.

As at the date of this Information Circular, the Audit Committee is composed of George Elliott (Chair), Andres J. Milla Comitre, and Paul H. Barry all of whom were "financially literate" and "independent" within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110 and applicable exchange rules and regulations as of this date.

The Company has set out the written position description for the Chair of the Audit Committee as follows:

- to lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the terms of reference established by the Board;
- to report to the Board on the outcome of the deliberations of the Audit Committee and periodically report to the Board on the activities of the Audit Committee; and
- to meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

The Company's AIF, which has been filed on the Company's profile on SEDAR, contains additional disclosure regarding the Audit Committee. Please refer to the section of the AIF entitled "Audit Committee" for further information.

#### *Compensation and Governance Committee*

The mandate of the Compensation and Governance Committee is to discharge the Board's responsibilities relating to compensation of the Company's executive officers. Among other things, the Compensation and Governance Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors.

The Compensation and Governance Committee performs any other duties or responsibilities delegated to the Compensation and Governance Committee by the Board from time to time. For further information on the duties and responsibilities of the Compensation and Governance Committee, see "Executive Compensation – Compensation and Governance Committee" in this Information Circular.

As of the date of this Information Circular, the Compensation and Governance Committee members are John Black, Andres J. Milla Comitre, and George Elliott, all of whom are independent directors.

There is no written position description for the Chair of the Compensation and Governance Committee. To date, given the size of the Company and its stage of development, the Company does not believe that a formal written position description of the Chair of the Compensation and

Governance Committee is required, and that good business practices and the common law provide guidance as to what is expected of the Chair of the Compensation and Governance Committee.

#### **Nomination of Directors**

The Board does not have a nominating committee composed of independent directors. The CEO submits to the Board candidates to fill vacancies on the Board and the full Board then considers the proposed candidates. As the Board is comprised of a majority of independent directors, the Board is of the view that this is sufficient to ensure objectivity in the nomination process.

#### **Assessment**

While there is no formal process for assessing the Board or its committees on an ongoing basis, the directors are free to discuss specific situations from time to time among themselves and/or with the CEO and President and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Given the current structure and size of the Board, the Board believes that it is not necessary to adopt a more formal assessment process at this time and that the present system is sufficient.

#### **Term Limits and Diversity**

In the fall of 2014 the Canadian Securities Administrators (“CSA”) introduced “comply or explain” policies requiring companies to either adopt or explain why they have not adopted (a) policies with respect to term limits for directors; and (b) policies and targets designed to increase participation by women in board matters and in executive positions.

The Company has not adopted term limits for the directors or other mechanisms of board renewal. However, since 2010, the Company has had four directors resign and added six new directors and the Company believes that it acts within the spirit and intention of the CSA policies in this regard.

The Company has not developed written policies and targets designed to increase participation by women in board matters and in executive positions. Management and the Board have historically recognized the valuable contributions made to board deliberations and management by people of different gender, experience and background. The Board is mindful of the benefit of diversity in Candente Copper’s leadership positions and the need to maximize the effectiveness of the Board and management in decision making abilities. Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process.

The Company currently has one female member on its board of seven (14.3%), and one female officer, the President, CEO and Corporate Secretary, among Candente Copper’s senior management team of three (33.3%).

**It is the Company’s intention to formalize internal policies following the CSA guidelines.**



## **Schedule “B”**

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**DEFERRED SHARE UNIT PLAN  
for the Non-Executive Directors of Candente Copper Corp.**

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**Effective as of May 22, 2018**

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 PURPOSE OF THE DSU PLAN.....	1
ARTICLE 2 DEFINITIONS; CONSTRUCTION AND INTERPRETATION.....	1
ARTICLE 3 ADMINISTRATION OF THIS DSU PLAN.....	4
ARTICLE 4 ELIGIBILITY.....	5
ARTICLE 5 GRANTS OF DEFERRED SHARE UNITS.....	6
ARTICLE 6 DEFERRED SHARE UNITS <i>IN LIEU</i> OF CASH REMUNERATION.....	6
ARTICLE 7 CREDITS FOR DIVIDENDS .....	7
ARTICLE 8 SETTLEMENT OF DEFERRED SHARE UNITS .....	7
ARTICLE 9 CEASE TRADE.....	8
ARTICLE 10 ADJUSTMENTS TO THE NUMBER OF DEFERRED SHARE UNITS .....	8
ARTICLE 11 PARTICIPANT ACCOUNTS .....	9
ARTICLE 12 WITHHOLDING TAXES.....	9
ARTICLE 13 GENERAL.....	10

### Schedules

SCHEDULE "A" - FORM OF PARTICIPATION AGREEMENT .....	12
SCHEDULE "B" - FORM OF REDEMPTION NOTICE.....	14
SCHEDULE "C" - FORM OF DSU AWARD AGREEMENT .....	15
SCHEDULE "D" - FORM OF ALLOCATION NOTICE.....	16

## TABLE OF CONTENTS

Page

### CANDENTE COPPER CORP. DEFERRED SHARE UNIT PLAN

#### ARTICLE 1 PURPOSE OF THE DSU PLAN

The purpose of this DSU Plan is to advance the interests of the Corporation and its Subsidiaries by: (i) increasing the proprietary interests of the non-executive Directors in the Corporation; (ii) aligning the interests of the non-executive Directors with the interests of the Shareholders generally; and (iii) furnishing non-executive Directors with an additional incentive in their efforts on behalf of the Corporation.

#### ARTICLE 2 DEFINITIONS; CONSTRUCTION AND INTERPRETATION

##### 2.1 Definitions

For purposes of this DSU Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the words and terms contained in this Section 2.1 with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "**Allocation Notice**" means an allocation notice evidencing the election of a Participant to receive an award of DSUs *in lieu* of cash remuneration in respect of his or her annual board retainer, committee retainer and/or meeting fees, in the form attached to this DSU Plan as Schedule "D".
- (b) "**Blackout Period**" means any blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including Insiders of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specific individuals are restricted from trading because they possess material non-public information).
- (c) "**Board**" means the board of directors of the Corporation.
- (d) "**Change of Control**" means the occurrence of any one or more of the following events: (i) the Corporation is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation); (ii) the Corporation sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Corporation); (iii) the Corporation is to be dissolved and liquidated; (iv) any person, entity or group of persons, or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 30% of the Corporation's outstanding voting securities; or (v) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the Board.
- (e) "**Cease Trade Date**" has the meaning ascribed thereto in Section 9.1.

- (f) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 3.1, the committee of the Directors authorized to oversee this DSU Plan which includes any compensation committee of the Board.
- (g) "**Common Share**" means a common share in the capital of the Corporation as presently constituted, as adjusted in accordance with Article 10.
- (h) "**Corporation**" means Candente Copper Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia), or a successor thereto.
- (i) "**Grant Date**" of a DSU means the date on which a DSU is granted to a Director under the DSU Plan, as evidenced by a "DSU Award Agreement".
- (j) "**Directors**" means the members of the Board from time to time.
- (k) "**DSU**" means a deferred share unit of the Corporation represented by a notional bookkeeping entry on the books of the Corporation, with each deferred share unit of the Corporation having a value, on any particular date, equal to the Market Value.
- (l) "**DSU Account**" means the account maintained by the Corporation for each Participant participating in this DSU Plan to be credited with notional grants of DSUs from time to time;
- (m) "**DSU Award Agreement**" means an award agreement evidencing an award of DSUs, in the form attached to this DSU Plan as Schedule "C".
- (n) "**Director**" means a director of the Corporation who is not an employee of the Corporation otherwise than in his or her capacity as a member of the Board.
- (o) "**Director Compensation**" shall mean annual cash retainers, additional retainers for committee participation and meeting fees.
- (p) "**DSU Plan**" means this Deferred Share Unit Plan of the Corporation as set out herein, as it may be amended and varied from time to time.
- (q) "**Eligible Director**" means a non-employee member of the Board.
- (r) "**Grant Date**" means the effective date that a DSU is awarded to a Participant under this DSU Plan, as evidenced by a "DSU Award Agreement".
- (s) "**Insider**" means an "insider" as defined under applicable Canadian securities laws, as amended from time to time.
- (t) "**Market Value**" means, on any date, the volume weighted average price of the Common Shares traded on the TSX for the five (5) consecutive trading days prior to such date or, if the Common Shares are not then listed on the TSX, on such other stock exchange as determined for that purpose by the Committee in its discretion.
- (u) "**Outside Settlement Date**" shall have the meaning ascribed thereto in Article 8.
- (v) "**Participant**" means an Eligible Director of the Corporation who has been granted DSUs.

- (w) "**Participation Agreement**" means the participation agreement to be delivered by each Participant, in the form attached to this DSU Plan as Schedule "A".
- (x) "**Redemption Notice**" means the redemption notice to be delivered by the Participant to the Corporation to redeem the DSUs on any date following the Settlement Date, in the form attached to this DSU Plan as Schedule "B".
- (y) "**Settlement Date**" shall have the meaning ascribed thereto in Article 8.
- (z) "**Shareholders**" means the holders of Common Shares at any time and from time to time.
- (aa) "**Subsidiary**" shall mean any subsidiary of the Corporation from time to time.
- (bb) "**Tax Act**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.
- (cc) "**Termination**" shall mean the termination of the mandate of a Participant as a member of the Board for any reason, including by resignation, death or failure to be re-elected at the Corporation's annual (or annual and special) meeting of shareholders called for the purpose of electing directors.
- (dd) "**Termination Date**" means the effective date of the Termination of a Participant.
- (ee) "**Trading Day**" means any date on which the TSX is open for the trading of Common Shares and on which one or more Common Shares actually traded.
- (ff) "**TSX**" means the Toronto Stock Exchange, or if the Common Shares are not listed on the TSX, such other stock exchange on which the Common Shares are listed, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market.

## 2.2 Construction and Interpretation

- (a) *Headings.* The headings of all Articles, Sections and Paragraphs in this DSU Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this DSU Plan. References to "Article", "Section" or "Paragraph" in this DSU Plan refer to an Article, Section or Paragraph in this DSU Plan unless expressly stated otherwise.
- (b) *Context and Construction.* Whenever the singular or masculine are used in this DSU Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- (c) *References to this DSU Plan.* The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this DSU Plan as a whole and not to any particular Article, Section, Paragraph or other part hereof. In this DSU Plan, "including" and "includes" means including or includes, as the case may be, without limitation.
- (d) *Discretion.* Whenever the Committee has discretion to administer this DSU Plan, the term "discretion" means the sole and absolute discretion of the Committee.

- (e) *Unenforceability.* If any Article, Section, Paragraph or provision of this DSU Plan is determined to be void or unenforceable (in whole or in part), then such determination shall not affect the validity or enforceability of any other Article, Section, Paragraph or provision of this DSU Plan.
- (f) *Canadian Funds.* Unless otherwise specifically provided, all references to dollar amounts in this DSU Plan are references to lawful money of Canada.

### **ARTICLE 3 ADMINISTRATION OF THIS DSU PLAN**

#### **3.1 Delegation to Committee**

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by a resolution of the Board, be exercised by a committee of the Board comprised of not less than three (3) Directors, including any compensation committee of the Board.

#### **3.2 Administration of this DSU Plan**

- (a) This DSU Plan shall be administered by the Committee, provided, however, that the Committee shall be entitled to delegate administrative duties relating to this DSU Plan to a third-party administrator as may from time to time be appointed by the Committee.
- (b) The Committee shall have full authority to administer this DSU Plan, including the authority to interpret and construe any provision of this DSU Plan and to adopt, amend and rescind such rules and regulations for administering this DSU Plan as the Committee may deem necessary or appropriate in order to comply with the requirements of this DSU Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Eligible Director and the Corporation.
- (c) No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this DSU Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made.
- (d) The appropriate officers of the Corporation are hereby authorized and empowered to do all things, and to execute and deliver all instruments, undertakings, applications and writings as they, in their absolute discretion, consider necessary or appropriate for the implementation of this DSU Plan and of the rules and regulations established for administering this DSU Plan.
- (e) All costs incurred in connection with this DSU Plan shall be for the account of the Corporation.

#### **3.3 Maximum Number of Shares**

- (a) The maximum number of Common Shares made available for issuance from treasury under this DSU Plan, subject to adjustments pursuant to Article 10 and Section 13.6, shall not exceed 5,000,000 Common Shares, provided, however, that the number of Common Shares reserved for issuance from treasury under this DSU Plan and

pursuant to all other security-based compensation arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding. Any Common Shares subject to a DSU which has been cancelled or terminated in accordance with the terms of this DSU Plan without settlement will again be available under this DSU Plan. The number of Common Shares reserved for issuance from treasury under this DSU Plan may be amended subject to the policies and approval of the TSX and the approval of the holders of Common Shares by way of ordinary resolution at a meeting of the holders of Common Shares.

- (b) The grant of DSUs under this DSU Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares issuable to Insiders, at any time, under this DSU Plan and all other security-based compensation arrangements of the Corporation and its Subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; and (ii) within any one-year period, the Corporation shall not issue Insiders under this DSU Plan and all other security-based compensation arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.
- (c) In addition, the participation of non-employee Directors in this DSU Plan shall be subject to the following limitations: (i) the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Corporation under this DSU Plan, or when combined with all of the other security-based compensation arrangements of the Corporation and its Subsidiaries, shall not exceed one percent (1%) of the Corporation's total issued and outstanding Common Shares, and (ii) the value of Common Shares associated with grants to any individual non-employee director of the Corporation under this DSU Plan, or when combined with grants under all of the other security-based compensation arrangements of the Corporation and its Subsidiaries, shall not exceed \$150,000 annually. If and when the Corporation's Common Shares are listed on the TSX, then for the purposes of this DSU Plan, "security-based compensation arrangement" shall have the meaning set out in the TSX Company Manual. For greater certainty, the number of Common Shares outstanding shall mean the number of Common Shares outstanding on a non-diluted basis on the date immediately prior to the proposed Grant Date.
- (d) A DSU award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, vesting periods, restrictions or limitations imposed pursuant to this DSU Plan or as set out in the "DSU Award Agreement", to receive payment following the applicable Termination Date in accordance with Article 8 of this DSU Plan.

#### **ARTICLE 4 ELIGIBILITY**

- (a) The Committee designates, from time to time and at their sole discretion, the Eligible Directors who are entitled to participate in this DSU Plan.
- (b) The participation of an Eligible Director in this DSU Plan shall be evidenced by the delivery to the Corporation of a "Participation Agreement".

- (c) Each Participant's "Participant Agreement" shall specify, for purposes of Article 8, the elected form of payment to be received for each DSU, being either: (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing. A Participant may only update their election by delivering a new "Participation Agreement" to the Corporation (which, for greater certainty, shall supersede any previously delivered "Participation Agreement") during a period that such Participant is not subject to a blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information).

## **ARTICLE 5 GRANTS OF DEFERRED SHARE UNITS**

- (a) The Committee will periodically, in its sole discretion, make determinations on DSU Grants in connection with security-based compensation arrangements of the Corporation, including the number of DSUs to be granted to a Participant.
- (b) Subject to the discretion of the Committee, the DSUs granted under Section Article 5(a) shall immediately vest in their entirety on the Grant Date, but shall not be payable to the Participant until such Participant's Termination Date and following the delivery of a "Redemption Notice" to the Corporation, in accordance with the terms of this DSU Plan.
- (c) The Corporation shall, within a reasonable period of time, notify each Participant in writing by way of a "DSU Award Agreement" of the number of DSUs granted to him/her under Article 5(a).

## **ARTICLE 6 DEFERRED SHARE UNITS *IN LIEU* OF CASH REMUNERATION**

- (a) An Eligible Director can elect, from time to time but never during a Blackout Period, to receive an award of DSUs *in lieu* of cash remuneration in respect of his/her annual board retainer, committee retainer and/or meeting fees (or any portion thereof) by delivering an "Allocation Notice" to the Corporation, in accordance with the terms of this DSU Plan. An "Allocation Notice" delivered to the Corporation will become effective at the beginning of the next quarterly period, and will only become applicable to the category of remuneration that would otherwise have been payable to such Eligible Director in cash on or after the beginning of such quarterly period. An Eligible Director can elect, from time to time but never during a Blackout Period, to modify an "Allocation Notice" previously delivered to the Corporation, for an ensuing quarterly period, by delivering an updated "Allocation Notice" to the Corporation, which shall be deemed to supersede any prior "Allocation Notice" delivered to the Corporation in respect of such Eligible Director. For greater certainty, if an Eligible Director wishes to modify an "Allocation Notice" for an ensuing quarterly period to cease to receive DSUs *in lieu* of cash remuneration, then such Eligible Director shall deliver an updated "Allocation Notice" to the Corporation indicating "0%" under the heading "Percent Remuneration in DSUs".
- (b) The number of DSUs to be credited to the Participant's "*DSU Account*" in lieu of such cash remuneration shall be determined on a quarterly basis, as of the final day of any quarterly period, calculated as the quotient obtained when (i) the aggregate value of the



cash remuneration that would have been paid to such Eligible Director during such quarterly period if the Eligible Director had not delivered an "Allocation Notice" to the Corporation, is divided by (ii) the Market Value of the Common Shares as of the last day of such quarterly period.

- (c) Subject to the discretion of the Committee, the DSUs granted under Article 6(b) shall immediately vest in their entirety on the Grant Date, but shall not be payable to the Participant until such Participant's Termination Date and following the delivery of a "Redemption Notice" to the Corporation, in accordance with the terms of this DSU Plan.
- (d) The Corporation shall, within a reasonable period of time, notify each Participant in writing by way of a "DSU Award Agreement" of the number of DSUs granted to him/her under Article 6(b).

#### **ARTICLE 7 CREDITS FOR DIVIDENDS**

Whenever cash or other dividends are paid on Common Shares, additional DSUs will be automatically granted to each Participant who holds DSUs on the record date for such dividends. The number of such DSUs (rounded to the nearest whole DSU) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's DSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares.

#### **ARTICLE 8 SETTLEMENT OF DEFERRED SHARE UNITS**

A Participant shall be entitled to select a date to receive settlement for his or her DSUs on any date following the Termination Date (the "**Settlement Date**"), but no later than December 15 of the calendar year following such Termination (the "**Outside Settlement Date**"). Such settlement election must be made by completing a "Redemption Notice" and delivering it to the Corporation upon a minimum notice of five (5) business days from the proposed Settlement Date. On the Settlement Date, the Corporation shall either:

- (a) deliver to the Participant, or his legal representative, Common Shares issued from treasury equal in number to one (1) Common Share for each DSU credited to the Participant's "*DSU Account*" on the Settlement Date;
- (b) pay to the Participant, or his legal representative, a lump sum cash payment equal to the Market Value of one (1) Common Share for each DSU credited to the Participant's "*DSU Account*" on the Settlement Date; or
- (c) any combination of the foregoing.

Notwithstanding the foregoing, if the Settlement Date in respect of any DSUs occurs during a Blackout Period, or within ten (10) business days after the expiry of a Blackout Period, then the Settlement Date shall be the date that is the tenth (10th) business day after the expiry of the Blackout Period, provided that such Settlement Date may not be later than the Outside Settlement Date. If the revised Settlement Date is not a date that is prior to the Outside Settlement Date, then the Settlement Date in respect of such DSUs shall, notwithstanding any other provision of this DSU Plan, be the Outside Settlement Date.

Notwithstanding the election of the Participant (or his or her succession) in Article 8(a)-(c), the Committee, in its sole discretion, shall be entitled to settle the Participant's "*DSU Account*" in any alternative form provided for in Article 8(a)-(c).

The "Redemption Notice" shall apply to all the DSUs outstanding in a Participant's account. No partial settlement of DSUs will be permitted. The Market Value of the Common Shares is not guaranteed. Shares issued by the Corporation under this DSU Plan shall be considered fully paid in consideration of past services that is no less in value than the fair equivalent of the money the Corporation would have received if the Common Shares had been issued for money.

A Participant's failure to deliver a "Redemption Notice" to the Corporation will result in the Settlement Date being December 15 of the calendar year following the date of Termination.

## **ARTICLE 9 CEASE TRADE**

### **9.1 Cease Trade**

In the event that the Participant's Settlement Date is after the date on which the Common Shares ceased to be traded on the TSX, provided such cessation in trading is not reasonably expected to be temporary (the "**Cease Trade Date**"), the value of the DSUs redeemed by or in respect of the Director pursuant to Article 8 shall be determined in accordance with the following:

- (a) where the Participant's Termination Date is before or not more than 365 days after the last Trading Day of the Common Shares before the Cease Trade Date, the value of each DSU credited to the Director's DSU Account at his or her Settlement Date shall be equal to the Market Value on the last Trading Day before the Cease Trade Date; and
- (b) where the Participant's Termination Date is after the date that is 365 days after the last Trading Day before the Cease Trade Date, the value of each DSU credited to the Director's DSU Account at his or her Settlement Date shall be based on the fair market value of a Common Share of the Corporation or of a corporation related thereto at his or her Settlement Date as is determined on a reasonable and equitable basis by the Board after receiving the advice of one or more independent firms of investment bankers of national repute.

The value of a Director's DSUs determined in accordance with Paragraph (a) or (b) of this Section 9.1, as applicable, shall be paid to the Director (or, if the Director has died, to his or her estate) in the form of newly issued Common Shares by the Corporation, net of any applicable withholdings as soon as practicable after the Participant's Settlement Date, provided that in any event such payment date shall be no later than December 31 of the first calendar year commencing after the Participant's Termination Date.

## **ARTICLE 10 ADJUSTMENTS TO THE NUMBER OF DEFERRED SHARE UNITS**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders or any other change affecting the Common Shares, such adjustments as are required to reflect such change shall be made with respect to the number of DSUs in the accounts maintained for each Participant,

provided that no fractional DSUs shall be issued to Participants and the number of DSUs to be issued in such event shall be rounded down to the next whole number of DSUs.

## **ARTICLE 11 PARTICIPANT ACCOUNTS**

A "*DSU Account*" shall be maintained by the Corporation for each Participant participating in this DSU Plan. The Corporation shall record in the "*DSU Account*" of each Participant, at all times, the number of DSUs notionally credited to such Participant. Upon payment in satisfaction of DSUs pursuant to Article 8 hereof, such DSUs shall be cancelled. A written notification of the balance in the account maintained for each Participant shall be mailed by the Corporation or by an administrator on behalf of the Corporation to each Participant at least annually. A Participant shall not be entitled to any certificate or other document evidencing the amount of DSUs in his or her account.

## **ARTICLE 12 WITHHOLDING TAXES**

The Corporation will deduct or withhold from any payment or settlement in Common Shares, for the benefit of a Participant, any amount required in order to comply with the applicable provisions of any federal or provincial law relating to the withholding of tax or the making of any other source deductions, including on the amount, if any, included in income of a Participant and may adopt and apply such rules and regulations that, in its opinion, will enable the Corporation to so comply. The obligation of the Corporation to deliver payment or Common Shares in settlement of DSUs, for the benefit of a Participant, is conditional upon the Participant paying such amount as may be requested for the purpose of satisfying any liability in respect of such withholding.

Unless the Corporation decides otherwise, the Corporation may allow any Participant to deliver to the Corporation, or to a third party appointed or designated by the Corporation for that purpose under the Plan, an amount, in immediately available funds, that is equal to the required withholding. Such funds must be received in advance of any settlement of DSUs, or any other event in respect of which a withholding must be made. If such withholding is not fully satisfied by delivery of funds as aforesaid, the Corporation shall have the irrevocable right to, and each Participant consents to, the Corporation:

- (a) setting off any amount required to be withheld against amounts otherwise owing by the Corporation to the Participant (whether arising pursuant to the Participant's relationship as director of the Corporation or as a result of the Participant providing services on an ongoing basis to the Corporation or otherwise and whether or not such amount is then eligible); or
- (b) satisfying the withholding requirement by selling, on behalf of the Participant, such number of Common Shares as it determines are required to be sold, as trustee, through a trustee or broker or otherwise;

or any combination thereof, in each case in whole or in part, in its sole discretion. In respect of any sale of Common Shares effected pursuant to Article 12(b) above, each Participant hereby acknowledges and agrees (i) that selling costs (including any brokerage commission) shall be paid by the Participant, (ii) to consent to such sale and to grant to the Corporation an irrevocable power of attorney to effect such sale, (iii) that the Corporation does not accept nor assume any responsibility for the price obtained on any such sale, and (iv) that any such sale by the Corporation is subject to securities legislation and other restrictions and may be delayed, during which delay the price of Common Shares may fluctuate and the price obtained by the Corporation may be lower than the price at which DSUs are settled.

## **ARTICLE 13 GENERAL**

### **13.1 Change of Control**

Upon a Change of Control, all outstanding DSUs will remain outstanding, unless the Participant's Board mandate is terminated as a result of the Change of Control. In such case, the outstanding DSUs will be settled in accordance with Article 8. The Committee may also convert outstanding DSUs as of the Change of Control by equivalent value DSUs in the new entity, subject to applicable laws, and provided that such conversion does not give rise to any immediate income tax consequence to the Participant.

### **13.2 Non-Assignable**

Except as otherwise may be expressly provided for under this DSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a Participant under this DSU Plan is assignable or transferable.

### **13.3 No Contract of Employment**

Neither participation in this DSU Plan nor any action taken under this DSU Plan shall give or be deemed to give any Participant a right to continued employment with the Corporation and shall not interfere with any right of the Corporation to dismiss any Participant. The payment of any sum of money in cash in lieu of notice of the termination of employment shall not be considered as extending the period of employment for the purposes of this DSU Plan.

### **13.4 Clawback**

All DSUs granted under this DSU Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board (or a committee of the Board) and, in each case, as may be amended from time to time.

### **13.5 No Shareholder Rights**

No Participant shall have any claim or right to any Common Shares pursuant to this DSU Plan. Under no circumstances shall DSUs be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares, nor shall any Participant be considered the owner of any Common Shares pursuant to this DSU Plan.

### **13.6 Reorganization of the Corporation**

The existence of any DSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the Common Shares following a dividend of shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any

other similar change in the capital structure of the Corporation, an adjustment shall be made by the Corporation to the number of DSUs or to the kind of shares that are subject to the issued DSUs, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of this DSU Plan.

### **13.7 Suspension, Termination or Amendments of this DSU Plan**

The Committee may from time to time amend, suspend or terminate (and re-instate) this DSU Plan in whole or in part or amend the terms of DSUs credited in accordance with this DSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. Notwithstanding the foregoing, this DSU Plan shall not be amended to (i) remove or exceed the insider participation limit prescribed by the policies of the TSX, (ii) increase the maximum number of Common Shares made available for issuance from treasury under this DSU Plan, (iii) modify the definition of "Eligible Director", or (iv) modify this amendment provision, without the approval of the shareholders of the Corporation.

If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to DSUs credited to such Participant, then the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited DSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed.

If the Committee terminates this DSU Plan, then DSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of this DSU Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

### **13.8 Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this DSU Plan

### **13.9 Governing Law**

This DSU Plan and the DSUs granted under this DSU Plan shall be governed by, and interpreted in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

*Adopted by the Board of Directors of Candente Copper Corp. on May 22, 2018.*

*To be Approved by the Shareholders of Candente Copper Corp. on June 29, 2018.*

**SCHEDULE "A"**  
**FORM OF PARTICIPATION AGREEMENT**

\* \* \* \* \*

**CANDENTE COPPER CORP.**  
**DEFERRED SHARE UNIT PLAN**

**PARTICIPATION AGREEMENT**

I hereby confirm that, as of the date written below, I am a member of the Board of Directors of Candente Copper Corp. (the "**Corporation**") and acknowledge that I will be granted deferred share units of the Corporation ("**DSUs**") under the Deferred Share Unit Plan of the Corporation (the "**DSU Plan**"), on an annual basis, subject to and in accordance with the terms of the DSU Plan.

I also confirm that:

1. I have received and reviewed a copy of the terms of the DSU Plan and agree to be bound by them.
2. I understand that I will not be able to cause the Corporation to redeem DSUs granted under the DSU Plan until I am no longer either a director of the Corporation or of an affiliate of the Corporation.
3. I recognize that when DSUs credited pursuant to the DSU Plan are redeemed in accordance with the terms of the DSU Plan after I am no longer either a director of the Corporation or of an affiliate of the Corporation, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
4. The value of DSUs are based on the value of the common shares of the Corporation from time to time and therefore are not guaranteed.
5. A Participant shall not be entitled to any certificate or other document evidencing the amount of DSUs in his or her account.
6. Each DSU is exchangeable for (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing.
7. In accordance with Article 4(c) of the DSU Plan, I hereby elect to receive the following payout with respect to any DSUs that vest in my "*DSU Account*": {CHECK ONE}
  - Common Shares issued from treasury equal in number to the vested DSUs in the my "*DSU Account*" on the Settlement Date
  - a lump sum payment in cash equal to the number of vested DSUs recorded in my "*DSU Account*" multiplied by the Market Value of a Common Share on the Settlement Date
  - \_\_\_\_\_% in Common Shares issued from treasury equal in number to the vested DSUs in the my "*DSU Account*" on the Settlement Date, and \_\_\_\_\_% as a lump sum payment in cash equal to the number of vested DSUs recorded in my "*DSU Account*" multiplied by the Market Value of a Common Share on the

Settlement Date

in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Corporation in connection with the satisfaction of the Participant's DSUs.

8. Notwithstanding your election, the Committee, in its sole discretion, shall be entitled to settle your "*DSU Account*" in any alternative form provided for in the DSU Plan.
9. I am not currently subject to a blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information).
10. The Common Shares issuable under this DSU Plan shall only be issued where: (i) an exemption is available from the prospectus requirement to a distribution pursuant to section 2.24 of National Instrument 45-106 – *Prospectus Exemptions*, and (ii) the Participant establishes that the conditions in subsection 2.6(3) of National Instrument 45-102 – *Resale of Securities* are satisfied. I shall notify the Corporation if, at any time, any of the conditions in subsection 2.6(3) of National Instrument 45-102 – *Resale of Securities* are not satisfied.
11. The value of DSUs are based on the value of Common Shares from time to time and therefore are not guaranteed.
12. The Corporation has made no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the DSU Plan.

The foregoing is only a brief outline of certain key provisions of the DSU Plan. For more complete information, reference should be made to the DSU Plan text which governs in the case of conflict or inconsistency with this "Participation Agreement". All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise defined herein.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Director)

\_\_\_\_\_  
(Signature of Director)

**SCHEDULE "B"**  
**FORM OF REDEMPTION NOTICE**

\* \* \* \* \*

**CANDENTE COPPER CORP.**  
**DEFERRED SHARE UNIT PLAN**

**REDEMPTION NOTICE**

Pursuant to Article 8 of the Deferred Share Unit Plan (the "**DSU Plan**") of Candente Copper Corp. (the "**Corporation**"), I hereby advise the Corporation that I wish to redeem all the Deferred Share Units of the Corporation credited to my account under the DSU Plan on \_\_\_\_\_ {INSERT SETTLEMENT DATE, WHICH SHALL BE NO LATER THAN DECEMBER 15 OF THE FIRST CALENDAR YEAR COMMENCING AFTER THE YEAR IN WHICH THE DIRECTOR CEASES TO BE ANY OF A DIRECTOR OR AN EMPLOYEE OF CANDENTE COPPER CORP. OR AN AFFILIATE OF CANDENTE COPPER CORP.}

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Director)

\_\_\_\_\_  
(Signature of Director)

If this "Redemption Notice" is signed by a legal representative, documents providing the authority of such signature must be provided to the Corporation.



**SCHEDULE "C"**  
**FORM OF DSU AWARD AGREEMENT**

\* \* \* \* \*

**CANDENTE COPPER CORP.**  
**DEFERRED SHARE UNIT PLAN**

**AWARD AGREEMENT**

**PERSONAL & CONFIDENTIAL**

{NAME}

{ADDRESS}

Dear {NAME}:

**Grant of Deferred Share Units**

You have been designated as a Participant in the Deferred Share Unit Plan (the "**DSU Plan**") of Candente Copper Corp. (the "**Corporation**") as of {GRANT DATE} (your "**Grant Date**").

I am pleased to advise you that the Board of Directors of the Corporation has granted you deferred share units of the Corporation ("**DSUs**"), with each DSU entitling you to receive (i) one (1) common share of the Corporation on the Settlement Date, (ii) a lump sum payment in cash equal in value to one (1) common share of the Corporation on the Settlement Date, or (iii) any combination of the foregoing, in each case upon you no longer being either a director of the Corporation or of an affiliate of the Corporation, all in accordance with the terms of the DSU Plan.

The value of DSUs are based on the value of the common shares of the Corporation from time to time and therefore are not guaranteed.

These DSUs were granted on the basis set out in this "DSU Award Agreement", and are subject to the DSU Plan. The terms and expressions used in this "DSU Award Agreement" and which are defined under this DSU Plan have the meaning assigned to them under this DSU Plan, unless the context requires otherwise.

The settlement of the DSUs, either in common shares of the Corporation, a lump sum cash payment or a combination of the foregoing, shall be payable to you net of any applicable withholding taxes.

**CANDENTE COPPER CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "D"**  
**FORM OF ALLOCATION NOTICE**

\* \* \* \* \*

**CANDENTE COPPER CORP.**  
**DEFERRED SHARE UNIT PLAN**

**ALLOCATION NOTICE**

I hereby confirm that, as of the date written below, I am a member of the Board of Directors of Candente Copper Corp. (the "**Corporation**"), and hereby request that the following remuneration categories be paid to be my way of grants of deferred share units of the Corporation ("**DSUs**") under the Deferred Share Unit Plan of the Corporation (the "**DSU Plan**");

<b>CATEGORY</b> <b>(as indicated by checking the box)</b>	<b>PERCENT REMUNERATION IN DSUs</b> <b>(denote a percentage between 0% and 100%)</b>
<input type="checkbox"/> Annual Board Retainer	_____ %
<input type="checkbox"/> Annual Committee Retainer	_____ %
<input type="checkbox"/> Meeting Fees	_____ %

I also confirm that:

1. I have received and reviewed a copy of the terms of the DSU Plan and agree to be bound by them.
2. I understand that I will not be able to cause the Corporation to redeem DSUs granted under the DSU Plan until I am no longer either a director of the Corporation or of an affiliate of the Corporation.
3. I recognize that when DSUs credited pursuant to the DSU Plan are redeemed in accordance with the terms of the DSU Plan after I am no longer either a director of the Corporation or of an affiliate of the Corporation, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
4. The value of DSUs are based on the value of the common shares of the Corporation from time to time and therefore are not guaranteed.
5. This "Allocation Notice" is not being delivered during a Blackout Period.

The foregoing is only a brief outline of certain key provisions of the DSU Plan. For more complete information, reference should be made to the DSU Plan text which governs in the case of conflict or inconsistency with this "Allocation Notice". All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise defined herein.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Director)

\_\_\_\_\_  
(Signature of Director)

**Schedule "C"**

**RESTRICTED SHARE UNIT PLAN  
FOR THE EXECUTIVE OFFICERS AND KEY EMPLOYEES OF CANDENTE COPPER CORP.**

**EFFECTIVE AS OF MAY 22, 2018**

ARTICLE 1 PURPOSE OF THE RSU PLAN .....1

ARTICLE 2 DEFINITIONS; CONSTRUCTION AND INTERPRETATION .....1

ARTICLE 3 ADMINISTRATION OF THIS RSU PLAN .....3

ARTICLE 4 ELIGIBILITY .....5

ARTICLE 5 GRANT OF RESTRICTED SHARE UNITS .....5

ARTICLE 6 CREDITS FOR DIVIDENDS .....6

ARTICLE 7 TERMINATION OF EMPLOYMENT .....6

ARTICLE 8 VESTING AND SETTLEMENT OF RESTRICTED SHARE UNITS .....7

ARTICLE 9 ADJUSTMENTS TO THE NUMBER OF RESTRICTED SHARE UNITS .....8

ARTICLE 10 PARTICIPANT ACCOUNTS .....8

ARTICLE 11 GENERAL .....9

**Schedule**

Schedule A – Form of Participation Agreement

Schedule B – Form of RSU Award Agreement

# CANDENTE COPPER CORP. RESTRICTED SHARE UNIT PLAN

## ARTICLE 1 PURPOSE OF THE RSU PLAN

The purpose of this RSU Plan is to advance the interests of the Corporation and its Subsidiaries by: (i) assisting the Corporation and its Subsidiaries in attracting and retaining executive officers and key employees with experience and ability; (ii) allowing certain executive officers and key employees of the Corporation and its Subsidiaries to participate in the long-term success of the Corporation; and (iii) promoting a greater alignment of interests between the executive officers and key employees designated under this RSU Plan and the Shareholders.

## ARTICLE 2 DEFINITIONS; CONSTRUCTION AND INTERPRETATION

### 2.1 Definitions

For purposes of this RSU Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the words and terms contained in this Section 2.1 with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) **“Benefits Extension Period”** means any additional period of time allocated to a terminated Participant, as the case may be, during which certain benefits of employment are contractually maintained.
- (b) **“Board”** means the board of directors of the Corporation.
- (c) **“Change of Control”** means the occurrence of any one or more of the following events: (i) the Corporation is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation); (ii) the Corporation sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Corporation); (iii) the Corporation is to be dissolved and liquidated; (iv) any person, entity or group of persons, or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 30% of the Corporation’s outstanding voting securities; or (v) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the Board.
- (d) **“Committee”** means the Directors or, if the Directors so determine in accordance with Section 3.1, the committee of the Directors authorized to oversee this RSU Plan which includes any compensation committee of the Board.
- (e) **“Common Share”** means a common share in the capital of the Corporation as presently constituted, as adjusted in accordance with Article 9.
- (f) **“Corporation”** means CANDENTE COPPER CORP., a corporation continued under the *Business Corporations Act* (British Columbia), or a successor thereto.
- (g) **“Directors”** means the members of the Board from time to time.

- (h) “**Grant Date**” means the effective date that a RSU is awarded to a Participant under this RSU Plan, as evidenced by a “RSU Award Agreement”.
- (i) “**Insider**” means an “insider” as defined under applicable Canadian securities laws, as amended from time to time.
- (j) “**Long-Term Disability**” means a total permanent disability for a continuous period of more than four (4) months.
- (k) “**Market Value**” means, on any date, the volume weighted average price of the Common Shares traded on the TSX for the five (5) consecutive trading days prior to such date or, if the Common Shares are not then listed on the TSX, on such other stock exchange as determined for that purpose by the Committee in its discretion.
- (l) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*.
- (m) “**Participant**” means an employee of the Corporation and/or a Subsidiary who has been granted RSUs under this RSU Plan which have not all been cancelled or redeemed.
- (n) “**Participation Agreement**” means the participation agreement to be delivered by each Participant, in the form attached to this RSU Plan as Schedule A.
- (o) “**Retirement**” means, in respect of any Participant, such Participant attaining the Retirement Age.
- (p) “**Retirement Age**” means 65 years of age, or as otherwise stipulated from time to time in the Corporation’s retirement policy (as such policy may be established or revised from time to time at the discretion of Corporation and subject to applicable laws), or as otherwise determined by the Committee.
- (q) “**RSU Plan**” means this Restricted Share Unit Plan of the Corporation as set out herein, as it may be amended and varied from time to time.
- (r) “**RSU**” means a notional unit credited to a Participant’s account in accordance with the terms and conditions of this RSU Plan.
- (s) “**RSU Account**” means the account maintained by the Corporation for each Participant participating in this RSU Plan to be credited with notional grants of RSUs from time to time;
- (t) “**RSU Award Agreement**” means an award agreement evidencing an award of RSUs, in the form attached to this RSU Plan as Schedule B.
- (u) “**Settlement Date**” means the day on which the Corporation pays to a Participant the Market Value of the RSUs that have become vested and payable.
- (v) “**Subsidiaries**” means the subsidiaries of the Corporation from time to time, and “**Subsidiary**” means any one of them.
- (w) “**TSX**” means the Toronto Stock Exchange, or if the Common Shares are not listed on the TSX, such other stock exchange on which the Common Shares are listed, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market.

## 2.2 Construction and Interpretation

- (a) **Headings.** The headings of all Articles, Sections and Paragraphs in this RSU Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this RSU Plan. References to “Article”, “Section” or “Paragraph” in this RSU Plan refer to an Article, Section or Paragraph in this RSU Plan unless expressly stated otherwise.
- (b) **Context and Construction.** Whenever the singular or masculine are used in this RSU Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- (c) **References to this RSU Plan.** The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to this RSU Plan as a whole and not to any particular Article, Section, Paragraph or other part hereof. In this RSU Plan, “including” and “includes” means including or includes, as the case may be, without limitation.
- (d) **Discretion.** Whenever the Committee has discretion to administer this RSU Plan, the term “discretion” means the sole and absolute discretion of the Committee.
- (e) **Unenforceability.** If any Article, Section, Paragraph or provision of this RSU Plan is determined to be void or unenforceable (in whole or in part), then such determination shall not affect the validity or enforceability of any other Article, Section, Paragraph or provision of this RSU Plan.
- (f) **Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in this RSU Plan are references to lawful money of Canada.

## ARTICLE 3 ADMINISTRATION OF THIS RSU PLAN

### 3.1 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by a resolution of the Board, be exercised by a committee of the Board comprised of not less than three (3) Directors, including any compensation committee of the Board.

### 3.2 Administration of this RSU Plan

- (a) This RSU Plan shall be administered by the Committee, provided, however, that the Committee shall be entitled to delegate administrative duties relating to this RSU Plan to a third-party administrator as may from time to time be appointed by the Committee.
- (b) The Committee shall have full authority to administer this RSU Plan, including the authority to interpret and construe any provision of this RSU Plan and to adopt, amend and rescind such rules and regulations for administering this RSU Plan as the Committee may deem necessary or appropriate in order to comply with the requirements of this RSU Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation.

- (c) No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this RSU Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made.
- (d) The appropriate officers of the Corporation are hereby authorized and empowered to do all things, and to execute and deliver all instruments, undertakings, applications and writings as they, in their absolute discretion, consider necessary or appropriate for the implementation of this RSU Plan and of the rules and regulations established for administering this RSU Plan.
- (e) All costs incurred in connection with this RSU Plan shall be for the account of the Corporation.

### **3.3 Maximum Number of Shares**

- (a) The maximum number of Common Shares made available for issuance from treasury under this RSU Plan, subject to adjustments pursuant to Article 9 and Section 11.6, shall not exceed 5,000,000 Common Shares, provided, however, that the number of Common Shares reserved for issuance from treasury under this RSU Plan and pursuant to all other security-based compensation arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding. Any Common Shares subject to a RSU which has been cancelled or terminated in accordance with the terms of this RSU Plan without settlement will again be available under this RSU Plan. The number of Common Shares reserved for issuance from treasury under this RSU Plan may be amended subject to the policies and approval of the TSX and the approval of the holders of Common Shares by way of ordinary resolution at a meeting of the holders of Common Shares.
- (b) The grant of RSUs under this RSU Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares issuable to Insiders, at any time, under this RSU Plan and all other security-based compensation arrangements of the Corporation and its Subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; and (ii) within any one-year period, the Corporation shall not issue Insiders under this RSU Plan and all other security-based compensation arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.
- (c) In addition, the participation of non-employee Directors in this RSU Plan shall be subject to the following limitations: (i) the aggregate number of Common Shares made available for issuance from treasury to all non-employee Directors of the Corporation under this RSU Plan, or when combined with all of the other security-based compensation arrangements of the Corporation and its Subsidiaries, shall not exceed one percent (1%) of the Corporation's total issued and outstanding Common Shares, and (ii) the value of Common Shares associated with grants to any individual non-employee Director of the Corporation under this RSU Plan, or when combined with grants under all of the other security-based compensation arrangements of the Corporation and its Subsidiaries, shall not exceed \$150,000 annually. If and when the Corporation's Common Shares are listed on the TSX, then for the purposes of this RSU



Plan, "security-based compensation arrangement" shall have the meaning set out in the TSX Company Manual. For greater certainty, the number of Common Shares outstanding shall mean the number of Common Shares outstanding on a non-diluted basis on the date immediately prior to the proposed Grant Date.

- (d) A RSU award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, vesting periods, restrictions or limitations imposed pursuant to this RSU Plan or as set out in the "RSU Award Agreement", to receive payment following the applicable Settlement Date in accordance with Section 8(e) of this RSU Plan.

#### **ARTICLE 4 ELIGIBILITY**

- (a) The Committee designates, upon recommendation from the President and/or Chief Executive Officer, from time to time and at his/her/their sole discretion, the executives and key employees of the Corporation and/or a Subsidiary who are entitled to participate in this RSU Plan.
- (b) The participation of an executive officers and/or key employee in this RSU Plan shall be evidenced by the delivery to the Corporation of a "Participation Agreement".
- (c) Each Participant's "Participant Agreement" shall specify, for purposes of Section 8(e), the elected form of payment to be received for each vested RSU, being either: (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing. A Participant may only update their election by delivering a new "Participation Agreement" to the Corporation (which, for greater certainty, shall supersede any previously delivered "Participation Agreement") during a period that such Participant is not subject to a blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information).

#### **ARTICLE 5 GRANT OF RESTRICTED SHARE UNITS**

- (a) The Committee will periodically, in its sole discretion, make determinations on RSU grants, including the number of RSUs to be granted to a Participant, and the vesting conditions applicable to such RSUs, including time and performance vesting conditions (as applicable).
- (b) Subject to the discretion of the Committee, RSUs will vest in their entirety over three (3) years from the Grant Date (one-third on each of the first, second and third anniversary of the Grant Date).
- (c) The Corporation shall, within a reasonable period of time, notify each Participant in writing, by way of a "RSU Award Agreement", of the number of RSUs granted to him/her and the vesting conditions applicable to such RSUs, including time and performance vesting conditions (as applicable).

## **ARTICLE 6 CREDITS FOR DIVIDENDS**

Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each Participant who holds RSUs on the record date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's RSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a Participant under this Article 6 shall be subject to the same vesting conditions (time and performance (as applicable)) as the RSUs to which they relate.

## **ARTICLE 7 TERMINATION OF EMPLOYMENT**

Unless otherwise determined by the Board, the following provisions shall apply in the event that a Participant ceases to be employed by the Corporation or a Subsidiary:

- (a) **Termination for Cause and Voluntary Resignation.** If a Participant ceases to be an employee as a result of (I) termination for cause, then effective as of the date notice is given to the Participant of such termination all outstanding RSUs shall be terminated, or (II) a voluntary termination, then effective as of the date on which the Corporation or the Subsidiary receives communication of such voluntary resignation, all outstanding RSUs shall be terminated.
  
- (b) **Death, Termination not for Cause, Retirement or Long-Term Disability.** If a Participant ceases to be an employee of the Corporation or a Subsidiary as a result of death, termination not for cause, Retirement or Long-Term Disability, then the vesting of RSUs shall be subject to the following:
  - (i) For Each Outstanding RSUs Granted – Time Vesting Component:
    - (A) in the event the Participant is not entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the Grant Date of such RSUs until the date of death, termination not for cause, Retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant; or
    - (B) in the event the Participant is entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be pro-rated based on the sum of (I) the number of days actually worked from the Grant Date up until the date of death, termination not for cause, Retirement or Long-Term Disability, and (II) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant; and
  
  - (ii) For Each Outstanding RSUs Granted – Performance Vesting Component:
    - (A) in the event the Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the Grant Date

of such RSUs until the date of death, termination not for cause, Retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such pro-rated calculation will be multiplied by the performance percentage determined by the Committee.

- (B) in the event the Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the sum of (I) the number of days actually worked from the Grant Date up until the date of death, termination not for cause, Retirement or Long-Term Disability, and (II) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant; and

For greater certainty, a voluntary resignation will be considered as Retirement if the Participant has reached 65 years of age, or as otherwise stipulated from time to time in the Corporation's retirement policy (as such policy may be established or revised from time to time at the discretion of Corporation and subject to applicable laws), or as otherwise determined by the Committee.

## **ARTICLE 8 VESTING AND SETTLEMENT OF RESTRICTED SHARE UNITS**

- (a) Subject to the discretion of the Committee, RSUs will vest in their entirety over three (3) years from the Grant Date (one-third on each of the first, second and third anniversary of the Grant Date).
- (b) The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the Participant is employed by the Corporation and/or a Subsidiary on the date specified in the "RSU Award Agreement". The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the "RSU Award Agreement", provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Committee, all in accordance with the "RSU Award Agreement".
- (c) However, the Committee may, in its entire discretion, accelerate the terms of vesting of any RSUs in circumstances deemed appropriate by the Committee.
- (d) Upon a Change of Control, all outstanding RSUs shall vest, irrespective of any time or performance vesting conditions.
- (e) Within ten (10) days from the date on which RSUs vest to the Participant (or his or her succession), the Participant (or his or her succession) shall be entitled to receive, subject to Section 8(f), and the Corporation shall issue or pay, a payout with respect to the vested RSUs in the Participant's "RSU Account" in one of the following forms, in accordance with the election in such Participant's "Participation Agreement":
  - (i) Common Shares issued from treasury equal in number to the vested RSUs in the Participant's "RSU Account" on the Settlement Date;

- (ii) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's "RSU Account" multiplied by the Market Value of a Common Share on the Settlement Date; or
- (iii) any combination of the foregoing,

in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Corporation in connection with the satisfaction of the Participant's RSUs.

- (f) Notwithstanding the election of the Participant (or his or her succession) in Section 8(e), the Committee, in its sole discretion, shall be entitled to settle the Participant's "RSU Account" in any alternative form provided for in Section 8(e)(i)-(iii).
- (g) If, on the date that RSUs vest to a Participant, there is a blackout period imposed by the Corporation during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information), then the Settlement Date for such RSUs shall be the tenth (10th) day following the date on which the RSUs vest to such Participant (or the immediately ensuing business day if such date is not a business day).
- (h) Once vested RSUs have settled, the Participant shall have no further entitlement in connection with such vested RSUs under this RSU Plan.
- (i) Shares issued by the Corporation under this RSU Plan shall be considered fully paid in consideration of past services that is no less in value than the fair equivalent of the money the Corporation would have received if the Common Shares had been issued for money.

#### **ARTICLE 9 ADJUSTMENTS TO THE NUMBER OF RESTRICTED SHARE UNITS**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders or any other change affecting the Common Shares, such adjustments as are required to reflect such change shall be made with respect to the number of RSUs in the accounts maintained for each Participant, provided that no fractional RSUs shall be issued to Participants and the number of RSUs to be issued in such event shall be rounded down to the next whole number of RSUs.

#### **ARTICLE 10 PARTICIPANT ACCOUNTS**

An "RSU Account" shall be maintained by the Corporation for each Participant participating in this RSU Plan. The Corporation shall record in the "RSU Account" of each Participant, at all times, the number of RSUs notionally credited to such Participant. Upon payment in satisfaction of RSUs pursuant to Article 8 hereof, such RSUs shall be cancelled. A written notification of the balance in the account maintained for each Participant shall be mailed by the Corporation or by an administrator on behalf of the Corporation to each Participant at least annually. A Participant shall not be entitled to any certificate or other document evidencing the amount of RSUs in his or her account.

## **ARTICLE 11 GENERAL**

### **11.1 Change of Control**

Notwithstanding any provisions to the contrary contained in this RSU Plan, all unvested RSUs outstanding at the time of a "Change of Control" shall vest immediately upon such Change of Control.

### **11.2 Non-Assignable**

Except as otherwise may be expressly provided for under this RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a Participant under this RSU Plan is assignable or transferable.

### **11.3 No Contract of Employment**

Neither participation in this RSU Plan nor any action taken under this RSU Plan shall give or be deemed to give any Participant a right to continued employment with the Corporation and shall not interfere with any right of the Corporation to dismiss any Participant. The payment of any sum of money in cash in lieu of notice of the termination of employment shall not be considered as extending the period of employment for the purposes of this RSU Plan.

### **11.4 Clawback**

All RSUs granted under this RSU Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board (or a committee of the Board) and, in each case, as may be amended from time to time.

### **11.5 No Shareholder Rights**

No Participant shall have any claim or right to any Common Shares pursuant to this RSU Plan. Under no circumstances shall RSUs be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares, nor shall any Participant be considered the owner of any Common Shares pursuant to this RSU Plan.

### **11.6 Reorganization of the Corporation**

The existence of any RSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the Common Shares following a dividend of shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any other similar change in the capital structure of the Corporation, an adjustment shall be made by the Corporation to the number of RSUs or to the kind of shares that are subject to the issued RSUs, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of this RSU Plan.

### **11.7 Suspension, Termination or Amendments of this RSU Plan**

The Committee may from time to time amend, suspend or terminate (and re-instate) this RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with this RSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. Notwithstanding the foregoing, this RSU Plan shall not be amended to (i) remove or exceed the insider participation limit prescribed by the policies of the TSX, (ii) increase the maximum number of Common Shares made available for issuance from treasury under this RSU Plan, (iii) extend the term of an RSU for the benefit of an Insider, or (iv) modify this amendment provision, without the approval of the shareholders of the Corporation.

If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to RSUs credited to such Participant, the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited RSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed.

If the Committee terminates this RSU Plan, RSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of this RSU Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

### **11.8 Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this RSU Plan

### **11.9 Governing Law**

This RSU Plan and the RSUs granted under this RSU Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Adopted by the Board of Directors of CANDENTE COPPER CORP. on May 22, 2018.

To be Approved by the Shareholders of CANDENTE COPPER CORP. on June 29, 2018.

**SCHEDULE A  
FORM OF PARTICIPATION AGREEMENT**

\* \* \* \* \*

**CANDENTE COPPER CORP. RESTRICTED SHARE UNIT PLAN**

**PARTICIPATION AGREEMENT**

I hereby confirm that, as of the date written below, I am an executive officer and/or a key employee of CANDENTE COPPER CORP. (the “**Corporation**”) and acknowledge that I may be granted restricted share units of the Corporation (“**RSUs**”) under the Restricted Share Unit Plan of the Corporation (the “**RSU Plan**”), from time to time, subject to and in accordance with the terms of the RSU Plan.

All capitalized expressions used herein shall have the same meaning as in the RSU Plan unless otherwise defined herein.

I also confirm and acknowledge that:

1. I have received and reviewed a copy of the RSU Plan and agree to be bound by the terms of the RSU Plan.
2. The Committee may periodically, in its sole discretion, make determinations on RSU grants, including the number of RSUs to be granted to a Participant, and the vesting conditions applicable to such RSUs, including time and performance vesting conditions (as applicable).
3. RSUs are notionally credited to a Participant’s “RSU Account” and, as such, there is no guarantee that any of the vesting conditions will be satisfied or that any RTUs will vest to any Participant.
4. A Participant shall not be entitled to any certificate or other document evidencing the amount of RSUs in his or her account.
5. Each RSU is exchangeable for (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing.
6. In accordance with Section 4(c) of the RSU Plan, I hereby elect to receive the following payout with respect to any RSUs that vest in my “RSU Account”: {CHECK ONE}
  - Common Shares issued from treasury equal in number to the vested RSUs in the my “RSU Account” on the Settlement Date
  - a lump sum payment in cash equal to the number of vested RSUs recorded in my “RSU Account” multiplied by the Market Value of a Common Share on the Settlement Date
  - \_\_\_\_% in Common Shares issued from treasury equal in number to the vested RSUs in the my “RSU Account” on the Settlement Date, and \_\_\_\_% as a lump sum payment in cash equal to the number of vested RSUs recorded in my “RSU Account” multiplied by the Market Value of a Common Share on the Settlement Date

in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Corporation in connection with the satisfaction of the Participant's RSUs.

7. Notwithstanding your election, the Committee, in its sole discretion, shall be entitled to settle your "RSU Account" in any alternative form provided for in the RSU Plan.
8. I am not currently subject to a blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information).
9. The Common Shares issuable under this RSU Plan shall only be issued where: (i) an exemption is available from the prospectus requirement to a distribution pursuant to section 2.24 of National Instrument 45-106 – *Prospectus Exemptions*, and (ii) the Participant establishes that the conditions in subsection 2.6(3) of National Instrument 45-102 – *Resale of Securities* are satisfied. I shall notify the Corporation if, at any time, any of the conditions in subsection 2.6(3) of National Instrument 45-102 – *Resale of Securities* are not satisfied.
10. The value of RSUs are based on the value of Common Shares from time to time and therefore are not guaranteed.
11. The Corporation has made no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the RSU Plan.

The foregoing is only a brief outline of certain key provisions of the RSU Plan. For more complete information, reference should be made to the RSU Plan text which governs in the case of conflict or inconsistency with this Participation Agreement.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Director)

\_\_\_\_\_  
(Signature of Director)



**SCHEDULE B  
FORM OF RSU AWARD AGREEMENT**

\* \* \* \* \*

**CANDENTE COPPER CORP.  
RESTRICTED SHARE UNIT PLAN**

**AWARD AGREEMENT**

**PERSONAL & CONFIDENTIAL**

- {NAME}
- {ADDRESS}

Dear {NAME}:

**Grant of Restricted Share Units**

You have been designated as a Participant of the RSU Plan as of ● {GRANT DATE} (your “**Grant Date**”).

I am pleased to advise you that the Board of Directors of CANDENTE COPPER CORP. (the “**Corporation**”) has granted you restricted share units of the Corporation (“**RSUs**” or “**Restricted Share Units**”), which entitle you to acquire common shares of the Corporation (“**Common Shares**”).

These RSUs were granted on the basis set out in this “RSU Award Agreement”, and are subject to the Restricted Share Unit Plan of the Corporation (the “**RSU Plan**”). The terms and expressions used in this “RSU Award Agreement” and which are defined under this RSU Plan have the meaning assigned to them under this RSU Plan, unless the context requires otherwise.

In accordance with the rules of this RSU Plan, this is a description of the terms of vesting of the RSUs:

- A.  ● {NUMBER OF RSUs} Restricted Share Units of CANDENTE COPPER CORP. are granted to you
- B. the Restricted Share Units granted to you shall vest according to the following schedule:

<b>Date</b>	<b>Total Number of RSUs Vesting (A + B)</b>	<b>Total Number of Time Vesting RSUs (A)</b>	<b>Total Number of Performance Vesting RSUs (B)</b>
●	● {1/3}	●	● (1)
●	● {1/3}	●	● (2)
●	● {1/3}	●	● (3)

Note: {IF ANY RSUs VEST BASED ON PERFORMANCE VESTING CONDITION(S), THEN PLEASE (I) DESCRIBE THOSE PERFORMANCE VESTING CONDITION(S) WITH PARTICULARITY, AND

(II) ASSIGN A PERCENTAGE (OUT OF 100%) TO EACH SUCH PERFORMANCE VESTING CONDITION(S)}

(1)  ●

(2)  ●

(3)  ●

C. each RSU is exchangeable, on the Settlement Date, for (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing.

Your "Participation Agreement" shall, at any time, specify your settlement election in respect of (C)(i)-(iii) above. However, notwithstanding your election, the Committee, in its sole discretion, shall be entitled to settle your "RSU Account" in any alternative form provided for in the RSU Plan.

**CANDENTE COPPER CORP.**

Per: \_\_\_\_\_

Name: ●

Title: ●