



**ALIANZA MINERALS LTD.**

**Annual General & Special Meeting  
to be held on February 29, 2016**

**Notice of Annual General & Special Meeting  
and  
Information Circular**

**January 25, 2016**

**ALIANZA MINERALS LTD.**

410 - 325 Howe Street  
Vancouver, B.C. V6C 1Z7

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

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Alianza Minerals Ltd. (the “**Company**”) will be held at 410 – 325 Howe Street, Vancouver, British Columbia on Monday, February 29, 2016 at 10:00 a.m. (local time in Vancouver, British Columbia). At the Meeting, the shareholders will receive the financial statements for the year ended September 30, 2015, together with the auditor’s report thereon, and consider resolutions to:

1. set the number of directors at six;
2. elect directors for the ensuing year;
3. appoint DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of the disinterested shareholders to approve the issuance of shares of the Company to a related party to settle certain outstanding debts owed to the related party by the Company, of which the details and the full text of the resolution are set out in the attached Information Circular;
6. consider and if deemed advisable, to pass an ordinary resolution of disinterested shareholders to approve the creation of a new “Control Person” of the Company, as defined under the policies of the TSX Venture Exchange, as a result of the proposed issuance of common shares of the Company to Pacific Opportunity Capital Ltd., a related party, representing the conversion of up to \$300,000 in debt; and
7. transact such other business as may properly be put before the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors requests all shareholders who will not be attending the Meeting in person to read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (local time in Vancouver, British Columbia) on Thursday, February 25, 2016 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used), then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on Monday, January 25, 2016 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 25<sup>th</sup> day of January, 2016.

**ON BEHALF OF THE BOARD**

*“Jason Weber”*

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Jason Weber  
President and Chief Executive Officer

## **ALIANZA MINERALS LTD.**

410 – 325 Howe Street  
Vancouver, B.C. V6C 1Z7

### **INFORMATION CIRCULAR**

(as at January 25, 2016 except as otherwise indicated)

#### **SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Alianza Minerals Ltd. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Monday, February 29, 2016 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

#### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on Thursday, February 25, 2016 or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to the registered office of the Company, or by transmitting a revocation by telephonic or electronic means, to the registered office of the Company, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

#### **Provisions Relating to Voting of Proxies**

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this**

**Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

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

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, *not* be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Ltd., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing 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 common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF form cannot use that form to vote common shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided 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 which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial*

*Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

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 broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

## Financial Statements

The audited financial statements of the Company for the year ended September 30, 2015, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 13,779,078 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at Monday, January 25, 2016, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company:

Shareholder	Number of Shares	Percentage of Issued Capital
Pacific Opportunity Capital Ltd., <sup>(1)</sup>	1,660,300	12.05%

Note:

- (1) Mark T. Brown, a director of the Company, is the President and a Director of Pacific Opportunity Capital Ltd. In addition to the shares he holds indirectly through Pacific Opportunity Capital Ltd., he also holds 978,000 common shares directly.

## ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company ("**Management**") proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management of the Company will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned or controlled or directed, directly or indirectly, at present <sup>(1)</sup>
<b>JASON WEBER</b> British Columbia, Canada  <i>Director, Chief Executive Officer and President</i>	CEO and President of Alianza Minerals Ltd., May 2015-Present; CEO and President of Estrella Gold Corporation, May 2014-April 2015; CEO, President and director of Kiska Metals Corporation, August 2010 – October 2013; and CEO, President and director of Rimfire Minerals Corporation, December 2007 – August 2010.	March 7, 2014	51,000
<b>MARK T. BROWN</b> British Columbia, Canada  <i>Director</i>	President of Pacific Opportunity Capital Ltd. (“POC”)	February 28, 2014	2,638,300 <sup>(4)</sup>
<b>MARC G. BLYTHE (2)</b> British Columbia, Canada  <i>Director</i>	Consultant; President and Chief Executive Officer of Tarsis Resources Ltd., 2007-April 2015.	July 23, 2007	185,983
<b>CRAIG LINDSAY (2)</b> British Columbia, Canada  <i>Director</i>	Managing director of Arbutus Grove Capital Corp., President and CEO of Otis Gold Corp. and, since December 2012, CEO of Philippine Metals Inc.	November 3, 2008	195,000 <sup>(3)</sup>
<b>ADRIAN FLEMING (2)</b> New Zealand  <i>Director</i>	Director of Entourage Metals Ltd., Aftermath Silver Ltd. (formerly Full Metal Zinc Ltd.), Gonzaga Resources Ltd., Highland Copper Company Inc., Northern Empire Resources Corp. and Precipitate Gold Corp.	June 28, 2010	Nil
<b>JOHN R. WILSON</b> Minnesota, USA  <i>Director</i>	Consultant; President and Chief Executive Officer of Estrella Gold Corporation, 2013-2014; President and Chief Executive Officer of Animas Resources Ltd., 2011-2013.	April 29, 2015	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the Audit Committee.
- (3) Mr. Lindsay holds 195,000 common shares indirectly through Arbutus Grove Capital Corp., a private company controlled by Mr. Lindsay.
- (4) Mr. Brown holds 978,000 common shares directly and 1,660,300 common shares indirectly through Pacific Opportunity Capital Ltd., a private company who Mr. Brown acts as a Director and President.



No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

### **Corporate Cease Trade Orders or Bankruptcies**

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

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

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

During the financial year ended September 30, 2015, the Company had the following Named Executive Officers (“NEOs”) being, Jason Weber, the President and Chief Executive Office (“CEO”) from April 29, 2015 until September 30, 2015, Marc G. Blythe, the President and CEO from October 1, 2014 until April 28, 2015; Winnie Wong, the Chief Financial Officer (“CFO”) and Secretary of the Company from April 29, 2015 until September 30, 2015 and Mark T. Brown, the CFO and Secretary from October 1, 2014 until April 28, 2015.

“**Named Executive Officer**” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly

compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

The compensation of the Company's NEOs is determined by the Company's Board which is composed of three members, two of whom are independent. The Board's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, a NEOs compensation is comprised of two components:

- (a) Salary, wages or contractor payments; and
- (b) Stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The CEO is paid a salary that is lower than his comparative salary levels for a person of his experience and capabilities. The CFO also takes a payment as a contractor that is lower than comparative salary levels because he/she also works as the CFO for other companies and does not devote 100% of his/her time to the Company.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme, and the Board does not believe that the Company's compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

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

## Share-Based and Option-Based Awards

The Company does not grant share-based awards. Stock option grants are made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board. The exercise price of the stock options granted is generally determined by the market price at the time of grant.

### SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

#### Summary Compensation Table

Name and principal position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Jason Weber <i>President and CEO</i>	2015	50,000	33,495 <sup>(4)</sup>	N/A	N/A	N/A	N/A	83,495
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marc G. Blythe <i>Former President and CEO</i>	2015	127,500 <sup>(1)</sup>	33,495 <sup>(4)</sup>	N/A	N/A	N/A	N/A	160,995
	2014	175,000 <sup>(1)</sup>	35,301 <sup>(5)</sup>	N/A	N/A	N/A	N/A	210,301
	2013	131,250 <sup>(1)</sup>	N/A	N/A	N/A	N/A	39,900 <sup>(2)</sup>	171,150
Winnie Wong <i>CFO</i>	2015	N/A	33,495 <sup>(4)</sup>	N/A	N/A	N/A	N/A <sup>(3)</sup>	33,495
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark T. Brown <i>Former CFO</i>	2015	N/A	33,495 <sup>(4)</sup>	N/A	N/A	N/A	233,700 <sup>(3)</sup>	267,195
	2014	N/A	35,301 <sup>(5)</sup>	N/A	N/A	N/A	155,857 <sup>(3)</sup>	191,158
	2013	N/A	N/A	N/A	N/A	N/A	113,720 <sup>(3)</sup>	113,720

Notes:

- (1) Mr. Blythe became an employee effective January 1, 2013 and ceased to be an officer effective April 28, 2015.
- (2) Mr. Blythe received consulting fees for the three month period from October 1, 2012 to December 31 2012.
- (3) Paid to Pacific Opportunity Capital Ltd. Mr. Brown is the president of Pacific Opportunity Capital Ltd. ("POC") and Ms. Wong is the vice president of POC which has a contract to provide financial and management consulting services to the Company (the "POC Contract").

- (4) Representing fair market value of options at an exercise price of \$0.25 per share expiring April 29, 2020; calculated using Black Scholes: no dividend, exercise price \$0.25; interest 1.18%, volatility 143.00% and 5 year term.
- (5) Representing fair market value of options at an exercise price of \$1.00 per share expiring February 25, 2019; calculated using Black Scholes: no dividend, exercise price \$1.00; interest 1.67%, volatility 136.51% and 5 year term.

## Narrative Discussion

*Jason Weber:* Effective April 29, 2015, the Company and Mr. Weber entered into an arrangement whereas the Company engaged Mr. Weber as the Company’s CEO and President for \$10,000 per month. The Company agreed to also reimburse him for all approved disbursements incurred by him on the Company’s behalf in connection with the provision of his services. In addition, Mr. Weber was entitled to participate in the Company’s stock option plan.

*Marc G. Blythe:* Effective January 1, 2013, the Company and Mr. Blythe entered into an executive employment contract (the “**Executive Employment Contract**”) pursuant to which the Company agreed to engage Mr. Blythe as the Company’s CEO and President. Pursuant to the Executive Employment Contract, the Company agreed to pay Mr. Blythe an amount of \$175,000 per annum (“**Base Salary**”). The Executive Employment Contract replaced a consulting contract between Mr. Blythe and the Company that was effective January 1, 2012, (the “**Contract for Services**”) pursuant to which the Company agreed to engage Mr. Blythe as the Company’s CEO. Pursuant to the Contract for Services, the Company agreed to pay Mr. Blythe a monthly fee of \$13,300 and reimburse him for all approved disbursements incurred by him on the Company’s behalf in connection with the provision of his services. In addition, Mr. Blythe was entitled to participate in the Company’s stock option plan. Mr. Blythe’s resigned from being the Company’s CEO and President effective April 28, 2015.

*Winnie Wong and Mark T. Brown:* Pursuant to the POC Contract, the Company paid a total of \$233,700 during the financial year ended September 30, 2015 to POC, a company of which Mr. Brown is the President and Ms. Wong is the Vice President, for the management and accounting services of an accounting and administrative team of four people during 2015.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

#### Outstanding Option-Based Awards

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>
Jason Weber <i>President and CEO</i>	150,000	\$0.25	04/29/2020	Nil

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>
Marc G. Blythe <i>Former President and CEO</i>	150,000	\$0.25	04/29/2020	Nil
Winnie Wong <i>CFO</i>	150,000	\$0.25	04/29/2020	Nil
Mark T. Brown <i>Former CFO</i>	150,000	\$0.25	04/29/2020	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s common shares on September 30, 2015 over the exercise price of the options. The market price for the Company’s common shares on September 30, 2015 was \$0.16.

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

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

#### Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jason Weber <i>President and CEO</i>	\$33,495	Nil
Marc G. Blythe <i>Former President and CEO</i>	\$33,495	Nil
Winnie Wong <i>CFO</i>	\$33,495	Nil
Mark T. Brown <i>Former CFO</i>	\$33,495	Nil

Note:

- (1) The options granted to the NEOs were vested immediately. The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the date of vest and the exercise price of the options under the option-based award multiplied by the number of options vested on the vesting date.

## **Narrative Discussion**

The following information is intended as a brief description of the Stock Option Plan (“**Stock Option Plan**”) and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant, the exercise price of which, as determined by Board, in its sole discretion, shall not be less than the closing price of the Company’s shares traded through the facilities of the TSX Venture Exchange (the “**Exchange**”) on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board grants and announces the granting of the option provided the Company is a Tier 1 Issuer or five years if the Company is a Tier 2 Issuer.
4. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), or ceases to be a consultant of the Company as the case may be, then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company, subject to the terms and conditions set out in the Stock Option Plan.

## **PENSION 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**

Under the arrangement with Mr. Weber, the Chief Executive Officer, there is no termination or change of control benefits.

In July 2007, the Company and its subsidiary entered into the POC Contract with POC, an external management company, for accounting and financial management services, including the services of Winnie Wong as Chief Financial Officer and Mark T. Brown as the former Chief Financial Officer. The POC Contract has no termination or change of control benefits.

Other than as described above, the Company has no other compensatory plan, contract or arrangement to compensate a NEO in the event of resignation, retirement or other termination of the NEOs employment

with the Company, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

### **DIRECTOR COMPENSATION**

The Company does not have share-based awards held by a director. Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

#### **Director Compensation Table**

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Craig Lindsay	N/A	\$22,330	N/A	N/A	N/A	\$22,330
Adrian Fleming	N/A	\$22,330	N/A	N/A	N/A	\$22,330
John R. Wilson	N/A	\$22,330	N/A	N/A	N/A	\$22,330

Note:

- (1) The fair value of the option-based awards which vested during 2015 was determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rate, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options.

### **Narrative Discussion**

Directors are compensated through the grant of stock options. No directors' fees are paid.

### **INCENTIVE PLAN AWARDS**

#### **Outstanding Share-Based Awards and Option-Based Awards**

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

### Outstanding Option-Based Awards

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Craig Lindsay	100,000	\$0.25	04/29/2020	Nil
Adrian Fleming	100,000	\$0.25	04/29/2020	Nil
John R. Wilson	100,000	\$0.25	04/29/2019	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s common shares on September 30, 2015 over the exercise price of the options. The market price for the Company’s common shares on September 30, 2015 was \$0.16.

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

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

#### Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Craig Lindsay	\$22,330	N/A	N/A
Adrian Fleming	\$22,330	N/A	N/A
John R. Wilson	\$22,330	N/A	N/A

Note:

- (1) The options granted to the NEOs were vested immediately. The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the date of vest and the exercise price of the options under the option-based award multiplied by the number of options vested on the vesting date.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the previous year end:



<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the securityholders	<b>1,298,500</b>	<b>\$0.25</b>	<b>79,408</b>
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
<b>Total</b>	<b>1,298,500</b>	<b>\$0.25</b>	<b>79,408</b>

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

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

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

None of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

### **APPOINTMENT OF AUDITOR**

#### **Auditor**

Management intends to nominate DeVisser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of DeVisser Gray LLP, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

DeVisser Gray LLP was appointed as the Company's auditor effective May 22, 2015 following the resignation of Davidson & Company LLP, Chartered Accountants, at the Company's request.

As required by Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*, attached as Schedule "B" to this Circular are copies of the following documents which were filed with the applicable securities regulatory authorities in connection with the change of auditor described above, and are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com):

1. Notice of Change of Auditor dated May 22, 2015;
2. Letter from DeVisser Gray LLP dated May 22, 2015; and
3. Letter from Davidson & Company LLP, Chartered Accountants dated May 22, 2015.

### **MANAGEMENT CONTRACTS**

Management, administrative and secretarial functions are provided by POC. A total of \$233,700 was invoiced by POC for management and accounting services rendered and for the services of Winnie Wong, the Chief Financial Officer, Mark T. Brown, the former Chief Financial Officer, and three other staff members of POC for the year ended September 30, 2015.

Other than as disclosed herein, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

### **AUDIT COMMITTEE**

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

#### **Audit Committee Charter**

The text of the audit committee's charter is attached as Schedule "A" to this Circular.

#### **Composition of Audit Committee and Independence**

National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The Company's current audit committee consists of Marc G. Blythe, Craig Lindsay and Adrian Fleming. All three members are considered "independent" and are "financially literate" as such terms are defined in NI 52-110.

## **Relevant Education and Experience**

Based on their business and educational experiences, each audit committee member has a reasonable understanding of the accounting principles used by the Company to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

*Marc G. Blythe:* Marc G. Blythe has a Master of Business Administration degree and has also completed the IROC/TSX course on company disclosure. He has acted as a director and/or officer of numerous other publicly traded companies since 2007. He is a former Vice President of Mining for Almaden Minerals Ltd.

*Craig T. Lindsay:* Mr. Lindsay has been a director or officer of a number of public companies in the natural resource sector and as a director has been responsible for approving financial statements. Through his work as a director and senior officer of public companies, including a number of TSX Venture companies. He is currently the President and CEO of Otis Gold Corp., CEO of Philippine Metals Inc. and former President of Magnum Uranium Corp. Mr. Lindsay has gained a sufficient understanding of financial reporting requirements with respect to junior resource exploration companies to enable him to discharge his duties as an Audit Committee member. He has a Master of Business Administration degree and is a Chartered Financial Analyst.

*Adrian Fleming:* Mr. Fleming has been a director or officer of a number of public companies in the natural resource sector and as a director has been responsible for approving financial statements. Through his work as a director and senior officer of public companies, including a number of TSX Venture companies. Mr. Fleming has gained a sufficient understanding of financial reporting requirements with respect to junior resource exploration companies to enable him to discharge his duties as an Audit Committee member.

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the audit committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

## **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

## **Pre-Approval Policies and Procedures**

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## Audit Fees

The following table sets forth the fees paid by the Company and its subsidiary to DeVisser Gray LLP, Chartered Accountants for services rendered in fiscal 2015 and to Davidson & Company LLP, Chartered Accountants, for services rendered in fiscal 2014:

	<u>2015</u>	<u>2014</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup>	20,000	15,300
Audit related fees <sup>(2)</sup> .....	N/A	5,355
Tax fees <sup>(3)</sup> .....	N/A	N/A
All other fees <sup>(4)</sup> .....	N/A	N/A
Total	<u>20,000</u>	<u>20,655</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

## Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and senior management of the Company consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

### Board of Directors

Management is nominating six individuals to the Board, all of whom are current directors of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Marc G. Blythe, who is the CEO and President of the Company and Mark Brown who is the CFO and Secretary of the Company.

The Board recommends nominees to the shareholders for election as directors. Immediately following each annual general meeting, the Board appoints an Audit Committee and the chairperson of the Audit Committee. The Board elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO, appoints the senior officers of the Company and approves the senior Management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

## **Directorships**

The following directors and proposed director of the Company are also directors of other reporting issuers as stated:

- Marc G. Blythe is a director of Arcus Development Group Inc. and Strategem Capital Corporation;
- Craig Lindsay is a director of Otis Gold Corp., Archer Petroleum Corp. and Philippine Metals Inc.;
- Adrian Fleming is a director of Gonzaga Resources Ltd., Highland Copper Company Inc., Northern Empire Resources Corp., Antipodes Gold Limited and Precipitate Gold Corp.;

- Mark T. Brown is a director of Almaden Minerals Ltd., Almadex Minerals Limited, Avrupa Minerals Ltd., Big Sky Petroleum Corporation, Galileo Petroleum Ltd., Paget Minerals Corp., Strategem Capital Corporation and Sutter Gold Mining Inc.; and
- Jason Weber is a director of Tarku Resources Ltd.

### **Orientation and Continuing Education**

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development the Board does not feel it necessary to have such policies or programs in place.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Board has not adopted a formal process to select new nominees to the Board. The current nominees have been recruited by the current Board members, and the recruitment process has involved both formal and informal discussions among Board members and the CEO.

### **Compensation Governance**

The quantity and quality of the Board and CEO compensation is reviewed on an annual basis and determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

### **Other Board Committees**

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "A" to this Circular. As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute more formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

### **Assessments**

The Board monitors the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Confirming Stock Option Plan

Shareholders are being asked to confirm approval of the Company's Stock Option Plan which was initially adopted by the directors of the Company on December 21, 2005. There have been no material changes to the Stock Option Plan since it was adopted by the directors. The Stock Option Plan is subject to approval by the Exchange.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price of the Company's shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the board of directors grant and announce the granting of the option provided the Company is a Tier 1 Issuer or five years if the Company is a Tier 2 Issuer.
4. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), or ceases to be a consultant of the Company as the case may be, then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company, subject to the terms and conditions set out in the Stock Option Plan.

In accordance with the policies of the Exchange, a plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting.

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

"IT IS RESOLVED THAT the Stock Option Plan is hereby approved and confirmed."

### Shares for Debt Transaction

The Company is currently indebted in the amount of \$300,000 to POC, which amount includes management fees, out-of-pocket expenses, accounting and administration fees, marketing and rent (the "Debt"). In connection with the Debt, the Company intends to proceed with a shares-for-debt transaction

whereby the Company would issue up to 2,000,000 common shares at a deemed price of \$0.15 per common share in settlement of the Debt, including 840,000 common shares representing \$126,000 in management fees incurred during the periods September 2014 to December 2015 (the “**Management Fees**”).

In accordance with the policies of the TSX Venture Exchange (the “**Exchange**”), the Company is seeking shareholder approval for the issuance of common shares relating to the settlement of outstanding Management Fees.

Recognizing the need to conserve capital and improve the Company’s balance sheet while global financial markets remain turbulent and financing junior exploration companies remains difficult, the Company proposes to issue up to 840,000 common shares at a deemed price of \$0.15 per common share, to settle the outstanding Management Fees owed by the Company to POC in the aggregate amount of up to \$126,000 (the “**Shares-for-Debt Transaction**”). The common shares to be issued in the Shares-for-Debt Transaction represent payment in lieu of cash.

Pursuant to the policies of the Exchange, the Shares-for Debt Transaction requires the approval of a majority of the disinterested shareholders of the Company who vote on the applicable resolution at a meeting of the shareholders called for that purpose. Mark T. Brown, a director of the Company exercises control and direction over POC, and accordingly Mr. Brown and POC (collectively, the “**Related Parties**”), their holding corporations, associates and affiliates will not be entitled to vote on the resolution to approve the Shares-For-Debt Transaction.

#### ***Related Party Rules***

The Company is a reporting issuer in British Columbia, Alberta and Ontario and the Shares-for-Debt Transaction is also subject to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”), a multilateral instrument of the Canadian Securities Administrators intended to regulate certain transactions to ensure the protection and fair treatment of minority security holders. MI 61-101 requires, in certain circumstances, enhanced disclosure, approval by a majority of security holders excluding interested or related parties and the preparation of independent valuations and approval.

The protections afforded by MI 61-101 apply to “related party transactions” (as such term is defined in MI 61-101). The Shares-for-Debt Transaction is a “related party transaction” under MI 61-101 as the Company is proposing issuing securities to an insider of the Company qualifying as a “related party” (as such term is defined in MI 61-101). Each of the Officers and Directors of the Company and their affiliates (as well as the Related Parties set out above and their affiliates) is a “related party” to the Company.

While the Shares-for-Debt Transaction constitutes a “related party transaction” under MI 61-101, it is not subject to the requirement to obtain a formal valuation. The Company is exempt from such requirements in MI 61-101 since: (i) its common shares are not listed on any of the “Specified Markets” in Section 5.5 of MI 61-101. There were no prior valuations in respect of the Company that relate to or are otherwise relevant to the Shares-for-Debt Transaction.

#### ***Shares-for-Debt Resolution***

In accordance with Exchange policies and MI 61-101, disinterested shareholders of the Company will be asked to approve the following resolution authorizing the Shares-for-Debt Transaction:

“BE IT RESOLVED as an ordinary resolution of the disinterested shareholders that:



1. Subject to the approval of the TSX Venture Exchange and Pacific Opportunity Capital Ltd., the Company be and is hereby authorized to issue, at such time as the directors of the Company may, in their sole discretion determine, up to an aggregate of 840,000 common shares of the Company, in lieu of up to an aggregate of \$126,000 of cash consideration in settlement of certain management fee debts of up to \$126,000 at a rate of \$0.15 per common share (the “**Shares-for-Debt Transaction**”); and

2. Any one director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with these resolutions, the execution of any such document or the doing of any such other act or thing by an director or officer of the Company being conclusive evidence of such determination.”

In accordance with the requirement to obtain disinterested shareholder approval, shares beneficially owned by the Related Parties, or by their associates or affiliates (as such terms are defined in the TSXV policies) will not be eligible to vote on this resolution. As at the date hereof, the Related Parties and their associates or affiliates own or control, directly or indirectly, in the aggregate 2,638,300 common shares representing approximately 19.15% of the issued and outstanding common shares of the Company.

#### ***Directors Approval and Recommendation***

The Board unanimously approved proceeding with the settlement of the debts owed pursuant to the Management Fees (with Mark Brown (i) having declared and fully disclosed the nature and extent of his interests, (ii) having refrained from attending or participating in that part of the meeting in which the proposed transaction was discussed and (iii) having not voted thereon).

**The Company’s board of directors recommends that shareholders vote “FOR” the approval of the Shares-for-Debt Transaction resolution. In the absence of contrary instructions, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Shares-for-Debt Transaction resolution.**

**Unless a proxy specifies that the shares it represents are to be voted against the Shares-for-Debt Transaction resolution or the proxy is from the Related Parties name above or an associate, affiliate or holding company related thereto, the proxies named in the accompanying form of proxy intend to vote in favour of the Shares-for-Debt Transaction resolution.**

#### **Creation of a New Control Person**

The Company is currently indebted to POC, in the amount of \$300,000 representing \$126,000 in management fees, \$3,197 in out-of-pocket expenses, \$126,437 in accounting and administration fees, \$22,712 in marketing fees and \$21,654 in rent. The Company wishes to convert such debt into an aggregate amount of 2,000,000 common shares in the capital of the Company at a deemed price of \$0.15 per common share (the “**Debt Conversion**”). Mark T. Brown, a director of the Company, exercises control or direction over POC.

Following the proposed closing of the Debt Conversion, POC will beneficially own, directly and indirectly, an aggregate 3,660,300 common shares, representing approximately 23.2% of the issued and outstanding common shares of the Company and 988,000 warrants to purchase an additional 988,000 common shares.

Following the proposed closing of the Debt Conversion, POC together with Mark Brown will jointly own, directly or indirectly, an aggregate 4,638,300 common shares, representing approximately 29.4% of the issued and outstanding common shares of the Company, 1,018,000 warrants to purchase an additional 1,018,000 common shares and 150,000 options to purchase an additional 150,000 common shares.

As defined by the Exchange, a “Control Person” is any person or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Pursuant to the Exchange policies, if a transaction will result in the creation of a new Control Person, the Exchange requires the Company to obtain disinterested shareholder approval of the transaction. “Disinterested shareholder approval” means that while Shareholder approval may be obtained by ordinary resolution at the Meeting, the votes attached to the common shares held by the new Control Person and its associates and affiliates will be excluded from the calculation of any such approval.

### ***Creation of a New Control Person Resolution***

In accordance with Exchange policies, disinterested shareholders of the Company will be asked to approve the following resolution authorizing the creation of a new Control Person:

“BE IT RESOLVED as an ordinary resolution of the disinterested shareholders that:

1. The creation of a new Control Person of the Company, as such term is defined in the policies of the TSX Venture Exchange, being Pacific Opportunity Capital Ltd., resulting from the completion of the Debt Conversion, is hereby authorized and approved;
2. Any one director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or things being conclusive evidence of such determination.
3. Notwithstanding the foregoing approval, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company.”

This resolution must be passed by a majority of not less than 50% of the votes cast in respect of the resolution by or on behalf of shareholders present in person or represented by proxy at the Meeting, excluding the votes associated with the shares held by Mr. Brown, POC, and their holding corporations, associates and affiliates.

In the absence of a contrary instruction or if no choice is specified, the persons named on the Proxy intend to vote any common shares represented by such Proxy FOR the approval of the creation of a new Control Person.

*Directors' Approval and Recommendation*

The Company's board of directors recommends that shareholders vote "FOR" the approval of the creation of a new control person. In the absence of contrary instructions, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the creation of a new control person.

Unless a proxy specifies that the shares it represents are to be voted against the creation of a new control person resolution or the proxy is from the Related Parties named above or an associate, affiliate or holding company related thereto, the proxies named in the accompanying form of proxy intend to vote in favour of the Shares-for-Debt Transaction resolution.

**General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

**ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements to September 30, 2015, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 604-687-3520.

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 25<sup>th</sup> day of January, 2016.

**ON BEHALF OF THE BOARD**

*"Jason Weber"*

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Jason Weber,  
President and Chief Executive Officer

**ALIANZA MINERALS LTD.**

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**Schedule “A”  
Audit Committee Charter**

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The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
  - (ii) the auditor’s report, if any, prepared in relation to those financial statements,
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

**ALIANZA MINERALS LTD.**

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**Schedule "B"  
Reporting Package**

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May 22, 2015

**Notice to:**

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
TSX Venture Exchange  
Davidson & Company LLP, Chartered Accountants  
DeVisser Gray LLP, Chartered Accountants

**NOTICE OF CHANGE OF AUDITOR**

Alianza Minerals Ltd. (formerly Tarsis Resources Ltd., the "**Company**") hereby gives notice pursuant to the Section 4.11 of National Instrument 51-102, advising that the Board of Directors of the Company has requested and accepted the resignation of Davidson & Company LLP, Chartered Accountants, of 1200-609 Granville Street, Vancouver, BC, V7Y 1G6 (the "**Former Auditors**") as of May 22, 2015, and that DeVisser Gray LLP, Chartered Accountants, of 401-905 West Pender Street, Vancouver, British Columbia, V6C 1L6 (the "**Successor Auditors**") has agreed to act as the Company's auditor effective May 22, 2015.

The Company reports that there were no reservations in the auditor's report of the Former Auditor on any of the Company's financial statements in the period from October 21, 2005 to September 30, 2014, during which period the Former Auditor was the Company's auditor.

In the opinion of the Company, prior to the resignation of the Former Auditor, there were no "reportable events". A "reportable event" is an occurrence in the relationship between the Company and the Former Auditor which may have been a contributing factor in the resignation of the Former Auditor. (A "reportable event" is fully defined in section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators).

The resignation of the Former Auditor and the recommendation to appoint the Successor Auditor, as well as the contents of this notice and the enclosed response letter from the Former Auditor and the Successor Auditor have been approved by the Company's board of directors.

**Alianza Minerals Ltd.**

*"Winnie Wong"*

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Winnie Wong  
Chief Financial Officer

May 22, 2015

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
Alianza Minerals Ltd.

Dear Sirs:

**Re: Alianza Minerals Ltd. (formerly Tarsis Resources Ltd., “the Company”) - Notice of Change of Auditor**

This letter is being delivered to you pursuant to National Instrument 51-102 of the Canadian Securities Administration (“NI-102”) in connection with the resignation of Davidson & Company LLP, Chartered Accountants (“Davidson”), from the office of the auditor of the Company and the appointment of DeVisser Gray LLP, Chartered Accountants (“DeVisser”), as the successor to Davidson as auditor of the Company effective May 22, 2015.

As required by NI 51-102, we have reviewed the information contained in the Notice of Change of Auditor dated May 22, 2015 (the “Notice”) prepared by the Company. Based upon our knowledge as at the date hereof, we hereby confirm that we are in agreement with the statements contained in the Notice that relate to us and that we have no basis to agree or disagree with the statement contained in the Notice that relate to Davidson & Company LLP, Chartered Accountants.

Yours very truly,

**DeVisser Gray LLP**  
**Chartered Accountants**



Per: James D. Gray Ltd.

**cc: TSX Venture Exchange**



May 22, 2015

**British Columbia Securities Commission**

PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Ontario Securities Commission**

20 Queen Street West, 19<sup>th</sup> Floor, Box 55  
Toronto Ontario  
M5H 3S8

**Alberta Securities Commission**

600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, AB  
T2P 0R4

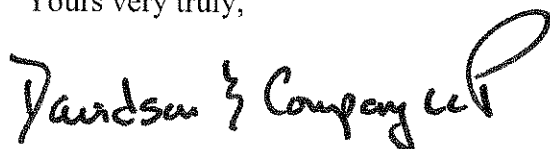
Dear Sirs / Mesdames

**Re: Alianza Minerals Ltd. (formerly Tarsis Resources Ltd.) (the "Company")**  
**Notice Pursuant to NI 51 – 102 of Change of Auditor**

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice dated May 22, 2015 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Accountants

**cc: TSX Venture Exchange**

