



Notice of Annual General Meeting Thursday, 29 May 2014 at 14:30 BST

Management Information Circular (together with the letter from the Chairman and Chief Executive)

This document is important and requires your immediate attention.

If you have any doubts about the action you should take, contact your stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

**The Annual General Meeting of Arian Silver Corporation will be held at 14:30 BST
on Thursday, 29 May 2014 at The Chesterfield Mayfair Hotel,
35 Charles Street, Mayfair, London W1J 5EB, United Kingdom.**

Dated 25 April 2014

Arian Silver Corporation
Registered Office
Craigmuir Chambers
PO Box 71, Road Town
Tortola, British Virgin Islands

Registered in the BVI, registration number 1029783

Registered the UK, registration number FC027089

Letter from the Chairman and the Chief Executive

The defining event of the past year was the successful closing of a senior convertible note to the value of US\$15.6 million and the acquisition of a custom processing plant with a capacity to treat up to 1,500 tonnes per day (“tpd”) of run-of-mine (“ROM”) material from the Company’s San José mine. The plant has since undergone extensive refurbishment, pre-construction earthworks at the project site have been completed, and a new exclusive power line to supply electricity from the main grid has been installed. The transport and reassembly of the plant at the Company’s San José project site is now underway. This rate of progress keeps us on track to begin commissioning the plant by the end of 2014.

We are further developing the San José mine, preparing the mining areas in readiness to sustain the maximum production rate of 1,500tpd. This development includes the construction of a second access ramp at the Soledad section of the mine which will provide access to additional mining blocks, haulage efficiencies, and improved ventilation and safety underground.

Our secured convertible \$15.6 million loan note matures in August this year and we are working towards refinancing of this note in favour of a facility that is more closely aligned to the projected operational cash flows of the business; negotiations continue to advance positively and we will provide a full update in due course.

The current spot silver price of around \$20/oz is at the lower end of the spectrum of recent years and we are confident global economic conditions will favour higher silver prices in near future which will further enhance the economics of the San José project.

The transformation of Arian from an exploration company into a medium-sized silver production company is clearly well underway and we are making good progress to achieving our stated goals and we look forward to achieving sustained production at significantly lower costs once the plant has been commissioned successfully.

Tony Williams
Chairman

Jim Williams
Chief Executive

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) will be held at 14:30 BST on Thursday, 29 May 2014 at The Chesterfield Mayfair Hotel, 35 Charles Street, Mayfair, London W1J 5EB, United Kingdom, to consider and, if thought appropriate, pass the following ordinary resolutions:

- Resolution 1** To receive the audited financial statements of the Company for the year ended 31 December 2013 together with the report of the auditors thereon
- Resolution 2** To re-elect Tony Williams as a director
- Resolution 3** To re-elect Jim Williams as a director
- Resolution 4** To re-elect James Cable as a director
- Resolution 5** To re-elect Jim Crombie as a director
- Resolution 6** To re-elect Tom Bailey as a director
- Resolution 7** To reappoint BDO LLP as auditors of the Company
- Resolution 8** To fix the level of the auditors’ remuneration as determined by the Board of Directors

By Order of the Board

David H. Taylor
Company Secretary
Arian Silver Corporation

25 April 2014

Notes

The attached Management Information Circular explains the resolutions to be put to the Meeting. A copy of the financial statements and report of the auditors, Management Information Circular, form of proxy or form of instruction, and supplemental mailing list card accompany this Notice.

Only holders of Common Shares of record at the close of business on 17 April 2014 (the “**Record Date**”) or their proxies are entitled to notice of and to speak and vote at the Meeting. To the extent any such shareholder transfers the ownership of any of his, her or its Common Shares after the Record Date and the transferee of those shares establishes that he, she or it owns such shares and demands not later than 10 days before the Meeting that his, her or its name be included in the shareholders’ list, such transferee will be entitled to vote such shares at the Meeting.

Shareholders not attending the meeting or any adjournment thereof in person may appoint a proxy by completing and depositing the enclosed proxy form at the offices of Computershare Investor Services, Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 or sent by facsimile copy within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, by 14:30 on 27 May 2014. Holders of Depository Receipts not attending the meeting or any adjournment thereof in person may instruct the Depository by completing and depositing the enclosed form of instruction at the offices of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom, by 14:30 on 23 May 2014. Alternatively, if you hold your shares through a nominee services please contact your nominee service provider for instructions on how to attend and vote.

If you are able to attend the Meeting, or any adjournment thereof, lodging your proxy will not prevent you from voting in person.

ARIAN SILVER CORPORATION
Berkeley Square House, Berkeley Square
London, W1J 6BD, United Kingdom
Tel: +44 (0)20 7887 6599

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in respect of the Annual General Meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) to be held at 14:30 BST on Thursday, 29 May 2014 at The Chesterfield Mayfair Hotel, 35 Charles Street, Mayfair, London W1J 5EB, United Kingdom, and any continuation or adjournment thereof.

Except as otherwise provided, all information herein is given as at 22 April 2014. All references to “\$” refer to United States dollars, the Company’s reporting currency, as set forth in its financial statements, unless otherwise indicated.

SOLICITATION OF PROXIES

The enclosed proxy is being solicited on behalf of the management of the Company in respect of the Meeting (and any adjournment thereof) to be held on 29 May 2014 at the time and place and for the purposes set forth above and in the accompanying Notice of Meeting.

Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors, officers and employees of the Company without special compensation. The cost of solicitation by management of the Company will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Management Information Circular, the Notice of Meeting and form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are nominees of management of the Company. **A shareholder desiring to appoint a person (who need not be a shareholder of the Company) other than either of the directors (the “management nominees”) designated on the form of proxy to represent him, her or it at the Meeting may do so by either filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy.**

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or sent by facsimile within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof at which the proxy is to be used, or deliver it to the Chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

A proxy should be executed by the shareholder or his or her attorney duly authorised in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorised.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing, executed in the same manner as a proxy and deposited at the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or at the Company's office at Berkeley Square House, Berkeley Square, London W1J 6BD, United Kingdom at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or deliver it to the Chair of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if he, she or it does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

ELECTRONIC VOTING INSTRUCTIONS VIA THE CREST VOTING SYSTEM

Depository Interest Holders who are CREST members and who wish to issue an Instruction through the CREST electronic voting appointment service may do so by using the procedures described in the CREST manual (available from www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.

In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (EUI) and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to the Depository must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 14:30 (British Summer Time) on 23 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the issuer's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted for, against, or withheld from voting, in accordance with the instructions of the shareholder on any ballot that may be called for. If no choice is specified, the proxy will be voted in favour of all matters referred to on the form of proxy.

The enclosed form of proxy confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting in such manner as such nominee in his judgement may determine. As of the date hereof, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorised to issue an unlimited number of common shares of no par value (the “**Common Shares**”). At the date hereof, the Company has outstanding 33,366,005 Common Shares, each of which carries one vote. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “AGQ”, on London’s Alternative Investment Market (“**AIM**”) under the symbol “AGQ”, and on the Frankfurt Stock Exchange under the symbol “I3A”.

The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as at Thursday, 17 April 2014 (the “**Record Date**”).

The Company’s registrar and transfer agent, Computershare Investor Services Inc., will prepare an alphabetical list of shareholders as at the Record Date showing the number of Common Shares held by each shareholder. A shareholder may examine the list during usual business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, and at the Meeting.

Each shareholder named in the list will be entitled to one vote per Common Share shown opposite his, her or its name on said list, even if he, she or it has since that date disposed of his, her or its Common Shares. Where a shareholder has transferred ownership of any of his, her or its Common Shares after the Record Date, the transferee (and not the original shareholder) may vote such shares provided he, she or it (a) produces properly endorsed share certificates to the Company or otherwise establishes to the Company that he, she or it owns such shares, and (b) demands, not later than 10 days before the Meeting, that his, her or its name be included in the list of shareholders before the Meeting.

As at the date of this Management Information Circular, to the knowledge of the directors or executive officers of the Company, no persons beneficially owned, controlled or directed, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attaching to any class of outstanding voting securities of the Company, except for the following:

Name	Number of Common Shares Held	Percentage
Sprott Asset Management LP on behalf of managed funds	4,660,394	13.97%

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either:

- (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans (“**RRSPs**”), Registered Retirement Income Funds (“**RRIFs**”), Registered Education Savings Plans (“**RESPs**”) and similar plans), or
- (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of Canadian National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this Management Information Circular and the form of proxy (collectively, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Applicable regulatory law and policy requires Intermediaries and clearing agencies to seek voting instructions from Non-Registered Holders. Without specific instructions from Non-Registered Holders, Intermediaries and clearing agencies are prohibited from voting the shares of the Non-Registered Holders. Accordingly, Intermediaries and clearing agencies are required to forward the meeting materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

BUSINESS TO BE CONSIDERED AT THE MEETING

Audited Financial Statements

The Company’s audited financial statements for the financial year ended 31 December 2013 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Company’s audited consolidated financial statements for the financial year ended 31 December 2013 will not constitute approval or disapproval of any matters referred to therein.

Election of Directors

The Articles of Association of the Company provide that the Company is authorised to appoint a minimum of one and a maximum of twelve directors. The board of directors of the Company (the “**Board**” or “**Board of Directors**”) currently consists of five directors and it is proposed that five directors be re-elected at the Meeting. The table below and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, their municipalities of residence, all other positions

and offices with the Company now held by them, their principal occupation or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, controlled or directed, directly or indirectly, by each of them as of the date hereof.

The present term of office of each current director of the Company will expire at the close of the Meeting. Each person whose name appears hereunder is proposed to be elected as a director of the Company to serve for the period commencing immediately subsequent to the close of the Meeting and ending at the close of the next annual meeting of shareholders or until his successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of Association of the Company or with the provisions of the *BVI Business Companies Act, 2004*.

Each person nominated for election as a director will be proposed and voted on individually.

Name, Municipality of Residence and Current Position(s) with the Company	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, Directed or Controlled, Directly or Indirectly⁽¹⁾
Anthony Joseph Williams London, United Kingdom Executive Chairman and Director	Chairman of the Company. Principal of the Dragon group of companies since October 1995.	25 May 2006	220,000
James Thomas Williams Conwy, United Kingdom Chief Executive Officer and Director	Chief Executive Officer (“CEO”) of the Company.	24 May 2006	480,000
James Seymour Cable ⁽²⁾⁽³⁾ Paddock Wood, Kent, United Kingdom Director	Self-employed consultant from 2010 and Finance Director of Mantle Diamonds Ltd from 2011 to 2014. Finance Director of Kopane Diamond Developments Plc from 2005 to 2010. Chief Financial Officer of the Company from 2006 to 2008.	24 May 2006	Nil
Thomas Anstey Bailey ⁽²⁾⁽³⁾ Bromley, Kent, United Kingdom Director	Self-employed Consultant since 2002.	25 May 2006	Nil
James Arnott Crombie ⁽²⁾⁽³⁾ Nassau, Bahamas Director	President and CEO of Reunion Gold Corporation from 2004. Vice Chairman and CEO of Dunav Resources Ltd (formerly Queensland Minerals Ltd) from 2007. Director, President and CEO of Odyssey Resources Ltd since 2008. President and CEO of Sutter Gold Mining Inc since 2009. President and CEO of Avala Resources Ltd since 2010. Executive Vice Chairman of Cerro Resources NL since 2010. Director of Torex Gold Resources Inc since 2011.	29 December 2006	150,000

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee. The Audit Committee is currently composed of three non-executive directors, a majority of whom are independent. The Audit Committee meets at least quarterly to review the Company's interim and annual consolidated financial statements before submission to the Board of Directors for approval. The Audit Committee determines and examines any matter relating to the financial affairs of the Company including the performance, position and prospects of the Company and ensures they are properly monitored and reported on.
- (3) Member of the Nomination & Remuneration Committee. The Nomination & Remuneration Committee is currently composed of three non-executive directors a majority of whom are independent. The Nomination & Remuneration Committee meets as required during the year to review the performance of the senior executives and set the scale and structure of their remuneration and compensation packages and, among other things, to consider the Company's benefit plans.

Corporate Cease Trade Orders or Bankruptcies

Except as hereinafter set forth, no proposed director of the Company is, as at the date hereof, or has been within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:-

1. was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr Anthony J. Williams, the Company's Executive Chairman, was at the relevant time a director of European Diamonds Plc, which has since changed its name to Kopane Diamond Developments Limited ("**European Diamonds**"), a United Kingdom based resource company formerly listed on AIM. European Diamonds became a reporting issuer in British Columbia as a result of a take-over of MineGem Inc. in October 2003. As a result of an incorrect profile on SEDAR that provided a financial year end of December 31, European Diamonds was noted in default by the British Columbia Securities Commission ("**BCSC**") for not having made certain financial statement filings in respect of a 31 December year end and on 2 June, 2004 the BCSC issued a cease trade order with respect to all trading in the securities of European Diamonds. Subsequently, European Diamonds corrected its SEDAR profile to reflect a 30 June year end. On 4 August, 2004, the BCSC issued a revocation of the cease trade order noting that European Diamonds was not in default of its filings. On 15 November, 2004, upon the application of European Diamonds, the BCSC deemed European Diamonds to have ceased to be a reporting issuer in British Columbia.

No proposed director of the Company is, as at the date hereof, or has been within 10 years before the date hereof, 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.

Penalties or Sanctions

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

Personal Bankruptcies

No proposed director of the Company or any personal holding company of such person has, within the 10 years before the date hereof, 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.

Proxies received in favour of the management nominees will be voted for the election of each of the above-named nominees unless the shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of the management nominees will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in respect of the election of all of the directors.

Appointment of Auditors

PKF (UK) LLP (“PKF”) were appointed as auditors of the Company on 24 May 2006. On 28 March 2013, PKF merged with BDO LLP (“BDO”) following which, PKF resigned, and BDO were appointed as auditor.

It is proposed to re-appoint BDO as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company, and to fix the auditors’ remuneration as determined by the Board of Directors.

Proxies received in favour of the management nominees will be voted for the appointment of BDO as auditors of the Company unless a shareholder has specified in the proxy that his, her or its Common Shares are to be voted against such reappointment.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Pursuant to *Form 51-102F6 – Statement of Executive Compensation* (“**Form 51-102F6**”) and for purposes of this Management Information Circular, a named executive officer (“**NEO**”) of the Company means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Company;
- (b) a chief financial officer (“**CFO**”) of the Company;
- (c) each of the Company’s 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 C\$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6,

for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Accordingly, for the year ended 31 December 2013 the NEOs are Anthony J. Williams (Executive Chairman), James T. Williams (CEO), John Mayfield (CFO from 7 January 2013 to 15 October 2013), Dean L. Friday (CFO from 15 October 2013) and David H. Taylor (Company Secretary).

This Compensation Discussion and Analysis describes in general terms the significant elements of the NEOs compensation for the financial year ended 31 December 2013. As set out in the Summary Compensation Table below, compensation comprises salary and option-based awards.

The objective of the compensation strategy is to attract, motivate, retain and appropriately reward the NEOs in order to promote the development of the Company and achieve the broader objectives set by the Board of Directors.

The Board of Directors has established a Nomination & Remuneration Committee which is currently composed of three members, being Messrs Thomas A. Bailey, James S. Cable and James A. Crombie.

James S. Cable is not considered to be independent by virtue of his previous position as an executive director.

The Nomination & Remuneration Committee meets as required each year to review the performance of the executive directors and senior executives and to determine their respective compensation. The scale and structure of the remuneration and compensation packages for the NEOs is set taking into account time commitment, comparatives, risks and responsibilities, to ensure that the amount of compensation adequately reflects the individual's previous performance, achievements, experience, responsibilities and risks of the office or position held, and in the context of the Company's risk profile, to ensure they do not encourage excessive risk taking on the part of the recipient of such compensation.

The Company is at a relatively early stage of development. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Nomination & Remuneration Committee to be appropriate in the evaluation of corporate or the NEOs' performance. Discretionary bonuses may be paid to aid staff retention and reward performance.

During 2013, the Nomination & Remuneration Committee set three bonus targets, upon the achievement of which, a payment of £25,000 (approximately \$41,000) would be made to the CEO in respect of each target. The targets were (1) the Juan Reyes toll mill achieving sustained throughput of 500 tpd, (2) the acquisition of a 100% company-owned processing plant, and (3) the achievement of sustained operation of a 100% company-owned processing plant at a minimum of 700 tpd. One payment of £25,000 was made following the achievement of the second of these goals.

The members of the Nomination & Remuneration Committee have the necessary experience of executive compensation matters relevant to their responsibilities as members of such a committee by virtue of their respective professions, contacts within the minerals industry as well as experience in the broader business community. In addition, each member of the Nomination & Remuneration Committee keeps abreast on a regular basis of trends and developments affecting executive compensation. Accordingly, it is considered that the Nomination & Remuneration Committee has sufficient experience and knowledge to set

appropriate levels of compensation. Neither the Company nor the Nomination & Remuneration Committee engaged independent consultants to evaluate the levels of compensation during the year ended 31 December 2013.

The recommendations of the Nomination & Remuneration Committee are submitted to the independent members of the Board of Directors for consideration and approval.

The Company provides NEOs with base salaries which represent their minimum compensation for services rendered during the financial year. NEOs' base salaries depend on the scope of their experience, responsibilities, and performance. A description of the material terms of each NEO employment contract is provided under "***Terms of Employment, Termination and Change of Control Benefits***" (below).

The Nomination & Remuneration Committee has considered the risk implications of the Company's compensation policies and practices and has concluded that there is no appreciable risk associated with such policies and practices since such policies and practices do not have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Company to inappropriate or excessive risks. Furthermore, although the Company does not have in place any specific prohibitions preventing a NEO or a director from purchasing 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 market value of options or other equity securities of the Company granted in compensation or held directly or indirectly, by the NEO or director, the Company is unaware of the purchase of any such financial instruments by any NEO or director.

The Company does not anticipate making any significant changes to its compensation policies and practices during 2014.

Share Option Plan and Option-Based Awards

The Company currently has one discretionary share option plan, as amended and restated, effective as of 1 December 2006 (the "**Share Option Plan**").

The Share Option Plan was established to encourage ownership of the Common Shares of the Company by directors, officers, employees of the Company and its subsidiaries, and other service providers responsible for the management and profitable growth of the Company's business and to advance the interests of the Company by providing additional incentive for such persons and to enable the Company and its subsidiaries to attract and retain valued directors, officers, employees and other service providers.

Historically, options were allocated as approved by the Board of Directors on the recommendation of the Nomination & Remuneration Committee. Option awards were reviewed periodically and took into account previous option grants, changes in executive positions and overall contribution to the Company.

The Share Option Plan is a "fixed" stock option plan as it provides that the maximum number of shares which may be reserved and set aside for issue under the Share Option Plan be fixed at 30,000,000. The aggregate number of shares which may be reserved for issuance to any one person under the Share Option Plan and which are subject to outstanding options granted under a prior plan, must not exceed 5% of the issued shares (determined at the date the option was granted), in a 12 month period.

Summary Compensation Table

The following table sets forth the compensation awarded, paid to or earned by each NEO during 2013.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Anthony J. Williams <i>Executive Chairman</i>	2013	113,000	-	118,000	-	-	-	-	231,000
	2012	114,000	-	-	-	-	-	-	114,000
	2011	115,000	-	2,008,000	-	-	-	-	2,123,000
James T. Williams <i>CEO</i>	2013	250,000	-	118,000	39,000	-	-	-	407,000
	2012	254,000	-	-	-	-	-	-	254,000
	2011	257,000	-	2,008,000	-	-	-	-	2,265,000
Dean L. Friday <i>CFO</i> ⁽³⁾	2013	39,000	-	-	-	-	-	-	39,000
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
John Mayfield <i>CFO</i> ⁽⁴⁾	2013	111,000	-	29,000	-	-	-	-	140,000
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Samuel Clarke <i>CFO</i> ⁽⁵⁾	2013	6,800	-	-	-	-	-	-	6,800
	2012	158,000	-	87,000	-	-	-	-	245,000
	2011	107,000	-	66,000	-	-	-	-	173,000
David H. Taylor <i>Company Secretary</i> ⁽⁶⁾	2013	125,000	-	88,000	16,000	-	-	-	229,000
	2012	111,000	-	84,000	-	-	-	-	195,000
	2011	28,000	-	-	-	-	-	-	28,000

Notes:

- Salaries are paid in pounds sterling and translated to US dollars based on the average foreign exchange rate for each respective year (2013: GB£:\$ 1.5643, 2012: GB£:\$ 1.5847, 2011: GB£:\$ 1.6039).
- The fair value of options granted is calculated using the Black-Scholes model as this model is widely accepted as an industry standard and is considered to provide the best estimation of value. The key assumptions and estimates used for the calculation of the grant date fair value include:

Year	Risk-free interest rate	Volatility	Expected life
2013	0.98%	93%	5 years
2012	0.72%	90%	5 years
2011	2.18%	90%	5 years

The grant date fair value presented above is the fair value calculated and expensed for the year-end consolidated financial statements.

- Dean Friday served as CFO from 15 October 2013.
- John Mayfield served as CFO from 7 January 2013 to 15 October 2013.
- Samuel Clarke served as CFO from 9 May 2011 to 7 January 2013.
- David Taylor was appointed as Company Secretary on 13 October 2011.

Outstanding Option-based Awards

The following table sets out all stock options outstanding at 31 December 2013 for each of the Company's NEOs.

Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Anthony J. Williams	200,000	GB£0.700/C\$1.09123 ⁽⁴⁾	29 May 2018	-
	350,000	GB£4.925/C\$7.9000 ⁽²⁾	18 January 2016	-
James T. Williams	200,000	GB£0.700/C\$1.09123 ⁽⁴⁾	29 May 2018	-
	350,000	GB£4.925/C\$7.9000 ⁽²⁾	18 January 2016	-
Dean L. Friday	-	n/a	n/a	-
John Mayfield ⁽⁵⁾	50,000	GB£0.700/C\$1.09123 ⁽⁴⁾	29 May 2018	-
Samuel Clarke	-	n/a	n/a	-
David H. Taylor	150,000	GB£0.700/C\$1.09123 ⁽⁴⁾	29 May 2018	-
	50,000	GB£2.00/C\$3.2077 ⁽³⁾	29 May 2017	-

Notes:

- (1) The value of unexercised in-the-money options is calculated by using the closing share price on the relevant stock exchange on 31 December 2013 of GB£0.2238/C\$0.369 less the exercise price of the in-the-money stock options, and using the foreign exchange rate as at 31 December 2013 of GB£:\$ 1.6488, US\$:C\$ 1.09725 and disclosing the highest value of unexercised in-the-money options. Each option holder can select whether to exercise options on the TSX Venture Exchange or AIM. Where applicable, the value quoted reflects the higher of the two values.
- (2) The exercise prices are based on the adjusted pre-consolidation closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant, representing market value at that time.
- (3) The adjusted pre-consolidation market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant was C\$2.60. The option exercise price was therefore at a 23% premium to the market value at that time.
- (4) The adjusted pre-consolidation market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant was C\$0.80. The option exercise price was therefore at a 36% premium to the market value at that time.
- (5) John Mayfield's appointment as CFO terminated on 15 October 2013; his stock options lapsed unexercised on 4 March 2014.

Terms of Employment, Termination and Change of Control Benefits

All payments quoted in this section relating to *Terms of Employment, Termination and Change of Control Benefits* are calculated using the foreign exchange rate of GB:\$ 1.6488 as at 31 December 2013.

Anthony Williams, Executive Chairman, provides his services to the Company on a part-time basis at a salary of £72,000 (approximately \$119,000), which is subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon 12 months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr Williams' appointment there is a change of control and within 12 months of such change of control the Company or Mr Williams terminate the appointment, Mr Williams will be entitled to compensation, being a lump sum of 300% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for six months following termination. If the termination and/or change of control events had occurred on 31 December 2013 the following are the estimated amounts that would have been payable to Mr Williams:

	Payment
Termination without cause	£72,000 (approx. \$119,000)
Termination without cause within 12 months of a change of control	£216,000 (approx. \$356,000)

James Williams, Chief Executive Officer, provides his services to the Company on a full-time basis at a salary of £160,000 (approximately \$264,000), which is subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon 12 months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr Williams' appointment there is a change of control and within 12 months of such change of control the Company or Mr Williams terminate the appointment, Mr Williams will be entitled to compensation, being a lump sum of 300% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for six months following termination. If the termination and/or change of control events had occurred on 31 December 2013 the following are the estimated amounts that would have been payable to Mr Williams:

	Payment
Termination without cause	£160,000 (approx. \$264,000)
Termination without cause within 12 months of a change of control	£480,000 (approx. \$791,000)

No stock option gains would have been realised as at 31 December 2013 as Mr J. Williams' subsisting options were not in-the-money at that date.

Dean Friday, Chief Financial Officer, provides his services to the Company on a full-time basis at a salary of £100,000 (approximately \$165,000) per annum, which was subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. During its term, his appointment could have been terminated by either party upon three months' written notice. The Company was entitled to terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr Friday's appointment there had been a change of control and within 12 months of such change of control the Company or Mr Friday terminated the appointment, Mr Friday would have been entitled to compensation, being a lump sum of 100% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for six months following termination. If the termination and/or change of control events had occurred on 31 December 2013 the following are the estimated amounts that would have been payable to Mr Friday:

	Payment
Termination without cause	£25,000 (approx. \$41,000)
Termination without cause within 12 months of a change of control	£100,000 (approx. \$165,000)

No stock option gains would have been realised as at 31 December 2013 as Mr D. Friday had no subsisting options at that date.

John Mayfield, Chief Financial Officer, provided his services to the Company on a full-time basis at a salary of £90,000 (approximately \$148,000) per annum, which was subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. During its term, his appointment could have been terminated by either party upon three months' written notice. The Company was entitled to terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement was governed by the laws of

England. If during the term of Mr Mayfield's appointment there had been a change of control and within 12 months of such change of control the Company or Mr Mayfield terminated the appointment, Mr Mayfield would have been entitled to compensation, being a lump sum of 100% of his salary at the date of the change of control. The appointment agreement contained restrictive covenants including a non-compete clause for six months following termination. No amounts were payable in respect of the termination of Mr Mayfield's appointment, as at 31 December 2013.

No option gains would have been realised as at 31 December 2013 as Mr Mayfield's subsisting options were not in-the-money at that date. Mr Mayfield's options lapsed unexercised on 4 March 2014.

Samuel Clarke, Chief Financial Officer, provided his services to the Company on a full-time basis at a salary of £100,000 (approximately \$165,000) per annum, which was subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. During its term, his appointment could have been terminated by either party upon three months' written notice. The Company was entitled to terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr Clarke's appointment there had been a change of control and within 12 months of such change of control the Company or Mr Clarke terminated the appointment, Mr Clarke would have been entitled to compensation, being a lump sum of 50% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for six months following termination. No amounts were payable in respect of the termination of Mr Clarke's appointment, as at 31 December 2013.

No option gains would have been realised as at 31 December 2013 as Mr Clarke's subsisting options were not in-the-money at that date. Mr Clarke's options lapsed unexercised on 15 April 2013.

David Taylor, Company Secretary, provided his services to the Company on a full-time basis at a salary of £100,000 (approximately \$165,000) per annum, which is subject to review by the Nomination & Remuneration Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon three months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr Taylor's appointment there is a change of control and within 12 months of such change of control the Company or Mr Taylor terminate the appointment, Mr Taylor will be entitled to compensation, being a lump sum of 100% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for six months following termination. If the termination and/or change of control events had occurred on 31 December 2013 the following are the estimated amounts that would have been payable to Mr Taylor:

	Salary
Termination without cause	£25,000 (approx. \$41,000)
Termination without cause within 12 months of a change of control	£100,000 (approx. \$165,000)

No option gains would have been realised as at 31 December 2013 as Mr Taylor's outstanding options were not in-the-money at that date.

Change of control means where any person (or persons acting in concert) who (directly or indirectly) controls the Company ceases to do so or if a person (or persons acting in concert) acquires (directly or indirectly) control of the Company. Control shall be construed in accordance with section 840 of the Income and Corporation Taxes Act 1988 of Great Britain.

Director Compensation Table

The following table sets forth the compensation awarded, paid to or earned by directors who were not the NEOs of the Company for the financial year ended 31 December 2013:

Name	Fees Earned and Total
Thomas A. Bailey	£15,000 (approximately \$23,000)
James S. Cable	£15,000 (approximately \$23,000)
James A. Crombie	£15,000 (approximately \$23,000)

Note: Fees are paid in pounds sterling and translated to US dollars for reporting purposes based on the average exchange rate for the year ended 31 December 2013, of GB£:\$1.5643

Outstanding Option-based Awards

The following table sets out all stock options outstanding at 31 December 2013 for the directors of the Company who are not NEOs:

Name	Number of securities underlying unexercised options (#)	Option exercise price ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾
Thomas A. Bailey	20,000	GB£0.550/C\$1.00 ⁽³⁾	16 July 2014	-
	65,000	GB£4.925/C\$7.90 ⁽⁴⁾	18 January 2016	-
	25,000	GB£0.700/C\$1.09123 ⁽⁵⁾	29 May 2018	-
James S. Cable	20,000	GB£0.550/C\$1.00 ⁽³⁾	16 July 2014	-
	65,000	GB£4.925/C\$7.90 ⁽⁴⁾	18 January 2016	-
	25,000	GB£0.700/C\$1.09123 ⁽⁵⁾	29 May 2018	-
James A. Crombie	55,000	GB£0.550/C\$1.00 ⁽³⁾	16 July 2014	-
	65,000	GB£4.925/C\$7.90 ⁽⁴⁾	18 January 2016	-
	25,000	GB£0.700/C\$1.09123 ⁽⁵⁾	29 May 2018	-

Notes:

- (1) All values have been restated as applicable following the consolidation of the Company's shares on a 1 for 10 basis which took effect on 3 September 2013.
- (2) The value of unexercised in-the-money options is calculated by using the closing share price on the relevant stock exchange on 31 December 2013 of GB£0.2238/C\$0.369 less the exercise price of the in-the-money stock options, and using the foreign exchange rate as at 31 December 2013 of GB£:\$ 1.6488, US\$:C\$ 1.09725 and disclosing the highest value of unexercised in-the-money options. Each option holder can select whether to exercise options on the TSX Venture Exchange or AIM; where applicable, the value quoted reflects the higher of the two values.
- (3) The adjusted pre-consolidation closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant was C\$0.70. The option exercise price was therefore at a 43% premium to the market value at that time.
- (4) The adjusted pre-consolidation closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant was C\$0.79, representing fair market value at that time.
- (5) The adjusted pre-consolidation closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant was C\$0.80. The option exercise price was therefore at a 36% premium to the market value at that time.

SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as at 31 December 2013 with respect to the Common Shares that may be issued under the Plan.

Equity Compensation Plan Information

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)) (c)
Equity compensation plans approved by securityholders	n/a	n/a	n/a
Equity compensation plans not approved by securityholders	2,231,000	\$4.9102	559,000
Total	2,231,000	\$4.9102	559,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the Company's most recently completed financial year, there is no, and there has not been any, outstanding indebtedness owing to the Company or any subsidiary of the Company by: (i) any director, executive officer or employee of the Company or any of its subsidiaries; (ii) any former director, executive officer or employee of the Company or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Company; (iv) any associate of any individual who is, or at any time during the Company's most recently completed financial year was, a director or executive officer of the Company; or (v) any associate of any proposed nominee for election as a director of the Company.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed director of the Company, or any of the associates or affiliates of those persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries, except as otherwise described in this Management Information Circular.

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

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Management Information Circular.

MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries (or private companies controlled by them, either directly or indirectly).

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Company's shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interests of its shareholders and contribute to effective and efficient decision making. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value. Set out below is a description of the corporate governance practices of the Company as required by National Instrument 58-101 ("**NI 58-101**") concerning corporate governance disclosure.

Disclosure of Corporate Governance Practices

Board of Directors

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Company. The Board of Directors is currently comprised of five (5) members. After the Meeting, assuming all directors are elected as directors, the Board will be comprised of five (5) directors.

In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors. Messrs Anthony J. Williams and James T. Williams are not considered independent directors as each of them is an executive officer of the Company. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. Messrs Thomas A. Bailey and James A. Crombie are considered to be independent. Details of directorships held by each director or nominee director in other public issuers are set out in Schedule "A" attached hereto.

The Board of Directors supervises the management of the business and affairs of the Company and is mandated to act with a view to the best interests of the Company. The Board of Directors reviews the business and affairs of the Company and makes any decisions relating thereto. The Board of Directors believes that it functions independently of management. The Board of Directors transacts business as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest.

Orientation and Education

The Company does not have a formal process of orientation for new directors. From time to time, corporate officers and legal, financial and other experts provide advice to the Board of Directors in their areas of expertise.

Ethical Business Conduct

The Board of Directors has not yet adopted a written ethical business conduct code for directors, officers and employees of the Company. In circumstances where a director or executive officer has a material interest in a transaction or agreement into which the Company is considering entering, the individual is required to fully disclose his or her interest therein and an ad hoc committee of disinterested directors is appointed to review the same to confirm, among other things, that such transaction or agreement, as applicable, is being entered into on arm's length commercially reasonable terms. Such committee has the right to obtain advice from the Company's counsel and other professional advisors and/or appoint independent counsel and/or advisors.

Nomination and Compensation of Directors

On 30 May 2012 the Board of Directors dissolved the Compensation Committee and formed in its place, a Nomination & Remuneration Committee. The Nomination & Remuneration Committee meets each year as required to perform all nomination and compensation related duties. The Nomination & Remuneration Committee is responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, having due regard for the structure, size and composition of the Board together with the skills, knowledge, experience and diversity of both the Board and the individual. Additionally, the Nomination & Remuneration Committee is responsible for reviewing the results of any board effectiveness review that relates to the composition of the board.

The scale and structure of the remuneration and compensation packages for the NEOs is set taking into account time commitment, comparatives, and risks and responsibilities, to ensure that the amount of compensation adequately reflects the individual's previous performance, achievements, experience, responsibilities and the risks of the office or position held, and in the context of the Company's risk profile, to ensure they do not encourage excessive risk taking.

The Nomination & Remuneration Committee is currently composed of three members, being Messrs Thomas A. Bailey, James S. Cable and James A. Crombie. Messrs Thomas A. Bailey and James A. Crombie are considered to be independent. James S. Cable is not considered to be independent by virtue of his previous position as an executive director.

Board Committees

The Board of Directors currently has two (2) standing committees: the Audit Committee (described in detail below) and the Nomination & Remuneration Committee (described in detail above).

Assessments

Based upon the Company's size, its current state of development and the number of individuals on the Board of Directors, the Board of Directors considers a formal process for assessing regularly the effectiveness and contribution of the Board of Directors, as a whole, its committee or individual directors to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

AUDIT COMMITTEE

Multilateral Instrument 52-110 “Audit Committees” (“**MI 52-110**”) requires the Company to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Charter

The Audit Committee is governed by its charter. A copy of the text of the Audit Committee’s charter, established in accordance with MI 52-110, is included in Schedule “B” attached hereto.

Composition of the Audit Committee

Messrs Thomas A. Bailey, James S. Cable and James A. Crombie are the current members of the Audit Committee. Messrs Thomas A. Bailey and James A. Crombie are considered to be “independent” within the meaning of MI 52-110. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. All members of the Audit Committee are “financially literate” within the meaning of MI 52-110. The Company is relying upon the exemption in Section 6.1 of MI 52-110 which provides that the Company, as a “venture issuer”, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

Education and Experience

Thomas A. Bailey qualified as a solicitor in 1975 and worked as an in-house lawyer for a number of years with Citibank and Chase Manhattan before returning to private practice to establish a law firm which, ultimately, became one of the top 500 law firms in London. Mr Bailey was the senior partner of his firm specialising in commercial law. Mr Bailey has for a number of years carried out consultancy work for various companies.

James S. Cable (a former Chief Financial Officer of the Company) is a Finance Director with extensive experience at board level in quoted and private companies. Mr Cable has significant international and commercial experience gained in the Middle East, Africa, the Far East and Europe in several business sectors including oil and construction. Mr Cable is a fellow member of the Institute of Chartered Accountants in England and Wales and has more than 30 years qualifying experience. Mr Cable is also a member of the Institute of Directors in London. Mr Cable is currently an independent consultant.

James A. Crombie holds a degree in Mining Engineering from the Royal School of Mines, London and draws on over 28 years of mining experience including management in various gold and diamond projects and as Mining Analyst, Investment Banker and Corporate Financier. Mr Crombie is the President, Chief Executive Officer and a director of Reunion Gold Corporation, a mining company listed on the Toronto Stock Exchange (the “**TSX**”), and has previously held senior-level executive positions with several mining companies listed on the TSX. During the 1990s, he was Mining Analyst/Corporate Finance Director with Yorkton Securities Inc. at its London office (U.K.).

Save in respect of Mr Bailey, each member of the Audit Committee has acted as a director or audit committee member of other public issuers in the past and as such obtained experience in performing his responsibilities as a member of the Company's Audit Committee. As well, each member of the Audit Committee is a senior-level businessman and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal controls and procedures for financial reporting. Given the scope and nature of the Company's business, its financial statements and the accounting issues arising therefrom are relatively uncomplicated. Based on the foregoing, it is the Board of Directors’ conclusion that each of the members of the Audit Committee has an understanding of the accounting principles used by the Company to prepare its financial statements,

the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice, tax planning or other non-audit services, such services must be pre-approved by the Audit Committee.

Auditor Services Fees

The following chart summarises the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the financial years ended 31 December 2013 and 2012, for audit and non-audit related services:

Type of Work	Year Ended 31 December 2013	Year Ended 31 December 2012
Audit Fees ⁽¹⁾	\$48,000	\$65,000
Audit-Related Fees ⁽²⁾	\$-	\$-
Tax Fees ⁽³⁾	\$10,000	\$9,000
All Other Fees ⁽⁴⁾	\$6,000	\$-

Notes:

- (1) Aggregate fees billed by the Company's external auditor in respect of audit services
- (2) Aggregate fees billed by the Company's external auditor in respect of assurance and services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit Fees" above.
- (3) Aggregate fees billed by the Company's external auditor in respect of professional services for tax compliance, advice and planning.
- (4) Aggregate fees billed by the Company's external auditor in respect of any product or service not otherwise disclosed.

Other matters which may come before the meeting

Management knows of no matters to come before the Meeting of shareholders other than as set forth in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

ADDITIONAL INFORMATION

Financial information in respect of the Company is provided in the Company's audited Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended 31 December 2013. Additional information relating to the Company is available on the Internet at www.sedar.com and the Company's website www.ariansilver.com. To request copies of the Company's Financial Statements and related Management's Discussion and Analysis, please contact the Corporate Secretary of the Company at:

Arian Silver Corporation
Berkeley Square House,
Berkeley Square
London W1J 6BD
United Kingdom

Tel: +44 20 7887 6599

Fax: +44 20 7887 6598

Email: info@ariansilver.com

APPROVAL

The contents and sending of this Management Information Circular have been approved by the directors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

David H. Taylor
Company Secretary
25 April 2014

SCHEDULE "A"

Name of Director	Name of Issuer
Anthony J. Williams	N/A
James T. Williams	N/A
James S. Cable	N/A
Thomas A. Bailey	N/A
James A. Crombie	Reunion Gold Corporation; Dunav Resources Ltd (formerly Queensland Minerals Ltd); Odyssey Resources Ltd; Sutter Gold Mining Inc; Avala Resources Ltd; Torex Gold Resources Inc.

SCHEDULE "B"
ARIAN SILVER CORPORATION (THE "COMPANY")
AUDIT COMMITTEE TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 Members of the Audit Committee (the "Committee") may be appointed and/or removed by the Board. The Chairman of the Board shall not be a member of the Committee.
- 1.2 The Board shall ensure that the Committee shall at all times comprise not less than three independent directors of the Company who are each financially literate.
- 1.3 The Board shall appoint the Committee Chairman, who shall be an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to Chair the meeting.
- 1.4 The Board shall ensure that at all times, more than half of the members of the Committee shall be independent.
- 1.5 No one other than the Committee's Chairman and members is entitled to be present at a meeting of the Committee, although others may be invited to attend.

2. SECRETARY

- 2.1 The Company Secretary or their nominee shall act as the secretary of the Committee.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in or exercisable by the Committee.

4. MEETINGS

- 4.1 The Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle, and otherwise as required.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of its Chairman, any of its members, or at the request of the external auditors.
- 5.2 Unless otherwise unanimously agreed, notice of each meeting confirming the venue, time, date and conference call facilities, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, and all other non-executive directors, no later than three business days before the date of the meeting.

6. MINUTES OF MEETINGS

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest, and minute them accordingly.

- 6.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed and provided a conflict of interests does not exist, to all members of the Board.

7. ANNUAL GENERAL MEETING

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. DUTIES

- 8.1. The Committee shall recommend to the Board of Directors at least once per calendar year:

- 8.1.1. 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;

- 8.1.2. The compensation of the external auditor.

- 8.2. The Committee shall oversee the work of the external auditor and shall be responsible for resolving any disagreements between management and the external auditor.

- 8.3. The Committee shall review and, if appropriate, approve, all proposals received for the provision of non-audit services by the external auditor, before the external auditor is engaged to undertake any non-audit service.

- 8.4. The Committee shall, at least annually, meet the external auditors, without management present, to discuss matters relating to its remit and any issues arising from the audit.

- 8.5. The Committee shall review the Company's financial statements and Management Discussion & Analysis ("MD&A"), and shall submit a recommendation to the Board whether they should be adopted.

- 8.6. The Committee shall review each press release or stock exchange announcement pertaining to the Company's profit or loss or cash flow, prior to its release.

- 8.7. The Committee shall, at least annually, satisfy itself of the adequacy of the procedures in place for the review of the release of financial information extracted or derived from the Company's financial statements. This does not include the MD&A which would be reviewed by the Committee.

- 8.8. The Committee shall monitor, and at least annually, review the effectiveness of the risk management systems.

- 8.9. The Committee shall ensure appropriate and proportionate procedures are at all times in place for:

- 8.9.1. the proper recording and resolving of complaints received by the Company regarding accounting, internal financial controls, or auditing matters;

- 8.9.2. the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

- 8.10. The Committee shall review and approve the Company's hiring policy regarding former staff of the Company's present and former external auditor.
- 8.11. The Committee shall ensure appropriate arrangements are in place for the confidential reporting of any concerns about possible improprieties in respect of the Company and ensure arrangements are in place for proportionate and independent investigation of such matters and for appropriate follow-up action.
- 8.12. The Committee shall consider annually, whether an internal audit function is required, and shall make a recommendation to the Board, setting out the reasons for that recommendation.
- 8.13. The Committee shall review its terms of reference at least every two years and recommend any necessary changes to the Board.

9. REPORTING

- 9.1. The Committee shall report to the Board, identifying any matter in respect of which it considers that action or improvement is needed, and shall make recommendations as to the steps to be taken.

10. OTHER

- 10.1. The Board of Directors shall be responsible for rectifying any breach of these terms of reference without undue delay.
- 10.2. The Company shall provide such induction and training for Committee members as may from time to time be required.
- 10.3. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

11. AUTHORITY

- 11.1. The Committee is authorised:
 - 11.1.1. To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
 - 11.1.2. To set and pay the compensation for any advisors employed by the Committee;
 - 11.1.3. To communicate directly with the internal and external auditors;
 - 11.1.4. To communicate directly with, and to require reports from, executive management;
 - 11.1.5. To require or receive reports from any subsidiary company, or the executive management thereof;
 - 11.1.6. To call any employee to be questioned at a meeting of the Committee, as and when required.

12. DISCLAIMER AS TO THE COMMITTEE'S RESPONSIBILITIES

- 12.1. In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably

prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the financial accounting functions are being conducted effectively and that the Company's financial reporting and disclosure objectives are being met and to enable the Committee to report thereon to the Board.