

NEVADO RESOURCES CORPORATION

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
June 25, 2013



MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation by the management of Nevado Resources Corporation (the “Corporation” or “Nevado”) of proxies to be voted at the Annual and Special Meeting (the “Meeting”) of the shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the “Notice of Meeting”). Solicitation of proxies will be accomplished by mail, but may also be by telephone, by Internet or verbal communication by the directors and officers of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be paid by the Corporation.

Bank, brokers and other depositories, *prête-noms* or trustees shall forward the solicitation documents to their principals and obtain the authorizations required for the signature of the proxies. The Corporation may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for their proxy documents delivery costs to the beneficial owners, and in obtaining their proxies, but solicitations will not be made by employees engaged for that purpose or by soliciting agents.

Appointment and Revocation of Proxies

An instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or agent thereof.

The persons designated as proxy holders in the instrument of proxy (the “**Proxy**”) accompanying the Notice of Meeting are officers and directors of the Corporation. **A shareholder submitting a Proxy shall have the right to appoint a person to represent the shareholder at the Meeting other than the person or persons designated in the Proxy provided by the Corporation. To exercise this right, the shareholder must either insert the name of the desired proxy holder in the blank space provided in the Proxy and by striking out the names printed, or submit another Proxy.** An instrument of proxy will not be valid unless it is deposited at the offices of Canadian Stock Transfer Company, Inc. (“**CST**”), as administrative officer of CIBC Mellon Trust Company, Proxies Department, 320 Bay Street, B1 Level, Toronto, Ontario, M5H 4A6 or at 600 The Dome Tower, 6th Floor, 333, 7th Avenue S.W.,

Calgary, Alberta T2P 2Z1 or at 2001 University Street, Suite 1600, Montreal, Québec, H3A 2A6, no later than forty-eight (48) hours preceding the Meeting or any adjournment thereof.

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked in writing executed by the shareholder or by his authorized agent in writing or, if the shareholder is a corporation, by an officer or agent duly authorized, and delivered to the Corporation's head office, 777 de la Commune Street West, Suite 100, Montreal, Québec, Canada, H3C 1Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the Proxy shall be revoked.

QUESTIONS AND ANSWERS ON PROXY VOTING

Q: *Who is entitled to vote?*

A: Each Class "A" common share (a "**Common Share**") entitles its holder to exercise one vote on the matters specified in the Notice of Meeting. Registered shareholders as of the record date, being on May 24, 2013 (the "**Registered Shareholders**") are entitled to vote.

Q: *How do I vote?*

A: There are two ways you can vote your Common Shares if you are a Registered Shareholder. You may vote in person at the Meeting or you may sign the enclosed Proxy appointing the named persons or some other person you chose, who need not be a shareholder, to represent you as proxyholder and vote your shares at the Meeting.

Q: *What if I plan to attend the Meeting and vote in person?*

A: If you are a Registered Shareholder with the transfer agent and plan to attend the Meeting to vote your Common Shares in person at the Meeting, do not complete or return the Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent on June 25, 2013, upon arrival at the Meeting.

Q: *Who is making the solicitation?*

A: The solicitation of proxies pursuant to the Proxy is being made by the Corporation and the associated cost will be paid by the Corporation. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by employees of the Corporation.

Q: *How does the Board of Directors recommend I vote?*

A: The Board of Directors of the Corporation (the "**Board**" or the "**Board of Directors**") unanimously recommends voting "FOR" each proposition. Please refer to the information included in this Circular regarding each item which is subject to shareholder approval at the Meeting.

Q: *What if I sign the Proxy enclosed with the Circular?*

A: Signing the enclosed Proxy gives authority to Mr. Michael Curtis, President, Chief Executive Officer and Director of the Corporation, or Mr. Marcel Bergeron, Chief Financial Officer and Director of the Corporation or to another person you have appointed, to exercise the voting rights attached to your Common Shares at the Meeting.

Q: *Can I appoint someone else than these directors to exercise the voting rights attached to my shares?*

A: Yes. Insert the name of this person, who need not be a shareholder, in the blank space provided in the Proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to exercise the voting rights attached to your Common Shares. Proxyholders should, upon arrival at the Meeting, register themselves with a representative of CST.

Q: *What do I do with my completed Proxy?*

A: The Proxy has to be sent to the transfer agent, CST, in the enclosed prepaid mail envelope, no later than forty-eight (48) hours preceding the Meeting or any adjournment thereof. Your vote will then be counted. The address of the transfer agent is: 320 Bay Street, B1 Level, Toronto, Ontario, M5H 4A6, or 600 The Dome Tower, 6th Floor, 333, 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 or 2001 University Street, Suite 1600, Montreal, Québec, H3A 2A6.

Q: *If I change my mind, can I revoke my Proxy once it has been given?*

A: Yes, you may revoke your Proxy. In addition to revocation by any other manner permitted by law, a Proxy may be revoked in writing executed by the shareholder or by his authorized agent or, if the shareholder is a corporation, by an officer or agent duly authorized, and delivered to the Corporation's head office, 777 de la Commune Street West, Suite 100, Montreal, Québec, Canada, H3C 1Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Proxy is to be used, or deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the Proxy shall be revoked.

Q: *How will my Common Shares be voted if I give my Proxy?*

A: The persons named on the Proxy must vote for or against or withhold from voting your shares on the matters to be acted upon at the Meeting in accordance with your instructions. **In the absence of such instructions, your Common Shares will be voted in favour of the proposal submitted with the present.**

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

A: The persons named in the Proxy will have discretionary authority with respect to amendments or changes of those matters specified in the Notice of Meeting and with respect to other matters which may be brought at the Meeting. As of the date of this Circular, the management of the Corporation knows of no such amendment, change or other matter expected to be brought at the Meeting, other than those matters referred to in the Notice of Meeting.

Q: *How many Common Shares are entitled to vote?*

A: As at May 24, 2013, there were 47,447,963 outstanding Common Shares. Each Registered Shareholder has one vote for each Common Share held at the Record Date on May 24, 2013 (the "**Record Date**").

Q: *Who are the Registered Shareholders?*

A: A shareholder is a Registered Shareholder if, at the Record Date, the shareholder appears on the list of shareholders held by the transfer agent and registrar of the Corporation regarding the Common Shares, in which case a share certificate has been issued to such shareholder, indicating the name and the number of shares held by such shareholder.

Q: *What is the final date by which the Corporation must receive a proposal?*

A: The final date by which the Corporation must have received a proposal from a shareholder entitled to vote at the Meeting was February 15, 2013. As of the date of this Circular, the Corporation has not received a proposal. The final date which the Corporation must receive a proposal from a shareholder entitled to vote at the next annual meeting of the Corporation is February 24, 2014.

Q: *How will the votes be counted?*

A: Each matter brought at the Meeting is decided by a majority of shares voted thereupon.

Validity of a Proxy

The articles of the Corporation provide that a proxy or an instrument appointing a duly authorized representative of a corporation shall be in writing, under the hand of the appointer or his duly authorized agent in writing, or if such appointer is a corporation, either under its seal or under the hand of an officer or agent duly authorized for that purpose.

Voting by Proxy and Exercise of the Discretionary Authority

Common Shares represented by a Proxy are to be voted or withheld from voting on any ballot by the proxy named in the enclosed Proxy in accordance with the instructions of the shareholders. The directors who are soliciting the proxy agree to respect the instructions given by the shareholders in the Proxy. **IF NO INSTRUCTIONS ARE INDICATED, THE SHARES WILL BE VOTED IN FAVOUR OF THE ADOPTION OF THE RESOLUTIONS SPECIFIED IN THE NOTICE OF MEETING.** The enclosed Proxy confers discretionary authority to the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting and which may be brought at the Meeting and on any amendments or variations to matters specified in the Notice of Meeting.

Notice to Beneficial Shareholders or Non-Registered Shareholders

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name but via an intermediary (usually a bank, trust company, securities broker or other financial institution) or indirectly via a financial intermediary. Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**” or “**Non-Registered Shareholders**”) should note that only Proxies deposited by shareholders whose names appear on the records of the Corporation as the Registered Shareholders will be recognized and will be entitled to act upon at the Meeting. Even if the Common Shares are mentioned in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Consequently, each Beneficial Shareholder must ensure that its voting instructions are transmitted to the appropriate person. The Beneficial Shareholder may attend the Meeting as a proxy holder to the Registered Shareholder and exercise, as such, the voting rights of such shares.

If you are not a Registered Shareholder, in order to vote you must obtain the materials relating to the Meeting from your broker or other intermediary, complete the request for voting instructions sent by the broker or other intermediary and follow the directions of the broker or other intermediary with respect to voting procedures.

In accordance with *National Instrument 54-101 on Communication with Beneficial Owners of Securities of a Reporting Issuer*, adopted by the Canadian securities regulatory authorities, the Corporation is distributing copies of the materials related to the Meeting to the clearing agencies and intermediaries for distribution to beneficial owners of shares of the Corporation. Intermediaries must forward the materials related to the Meeting to beneficial owners of Common Shares and often use a service company (such as Broadridge Investor Communications Solutions) to permit you, if you are not a Registered Shareholder, to direct the voting of the Common Shares which you beneficially own. Since the Corporation does not have access to the names of its Non-Registered Shareholders, those who wish to attend the Meeting and vote must write their own name in the blank space provided in the Proxy form in order to appoint themselves as a proxy and follow the instructions of their intermediary in order to return the form to it.

Securities Having a Right to Vote and Principal Holders

As of May 24, 2013, only 47,447,963 class “A” Common Shares of the Corporation's capital were issued and outstanding, each carrying the right to one vote per share. Only Registered Shareholders at the close of business on May 24, 2013, are entitled to receive the Notice of Meeting and to vote at the Meeting, unless after that date a Registered Shareholder of Common Shares and the transferee, upon delivering properly endorsed certificates evidencing such shares or otherwise establishing that he owns said shares, requests not later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote such Common Shares at the Meeting.

OWNERSHIP OF THE CORPORATION'S SHARES

To the knowledge of the directors and executive officers of the Corporation, as at May 24, 2013, there is no person who has a right of ownership or control or management, directly or indirectly, on more than 10% of the voting shares of the Corporation, namely Common Shares.

As at the date hereof, the directors and Designated Executive Officers were, as a group, directly or indirectly, the beneficial owners of 2,098,500 Common Shares representing 4.42% of the currently issued and outstanding Common Shares.

Interest of Certain Persons in Matters to be Acted Upon

Other than as specifically discussed under the heading "Matters to be Acted Upon at the Meeting", no director or officer of the Corporation, past or present, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the general affairs of the Corporation, with the exception that certain directors and officers have been granted stock options.

EXECUTIVE COMPENSATION

Compensation of Directors

The following Summary compensation table presents all of the annual compensation information for each of the members of the Board of Directors for the fiscal year ended December 31, 2012. Mr. Michael Curtis' compensation, as President, Chief Executive Officer and Director, and Mr. Marcel Bergeron's compensation, as Chief Financial Officer and Director are disclosed in the section entitled "Compensation of Executive Management" of this Circular.

Name of Member of the Board of Directors	Fees Earned (\$)	Option-based Awards ⁽¹⁾ (\$)	Total (\$)
André Bergeron ⁽²⁾	---	12,590	12,590
Rick Bonner	---	12,590	12,590
Philippe Frère	---	12,590	12,590
Louis Péloquin	167,250	12,590	179,840

Note:

- (1) The Corporation applies the fair value method of accounting for stock-based compensation awards granted to directors, officers, employees and other key personnel of the Corporation. This method consists of recording expenses to earnings, based on the vesting period of the options granted. The fair value is calculated based on the Black-Scholes option pricing model, which was designed to estimate the fair value of traded options that have no vesting restrictions and are fully transferable. The fair value of options at the date of grant on February 20, 2012 was also calculated using the following weighted average assumptions: 1) Expected Life: 5 years; Risk-Free Interest Rate: 1.52%; Expected Volatility: 100 % and Expected Dividend Yield: Nil. The fair value options awarded is \$0.14 per share.
- (2) Mr. Bergeron has been appointed as Director of the Corporation on June 9, 2006 and ceased to act as such on September 20, 2012.

Compensation of Executive Management

The following synoptic chart presents selected information regarding the remuneration: (i) of the President and Chief Executive Officer; (ii) of the Chief Financial Officer; (iii) as well as the most highly compensated executive officers of the Corporation for the period ending December 31, 2012, and of which the total salary and bonus was greater than \$150,000 during the last fiscal year (collectively, the "**Designated Executive Officers**"), for services rendered to the Corporation and its subsidiaries, if any, during the fiscal years ended December 31, 2012, 2011 and 2010. These amounts include the annual base salary and certain other forms of remuneration, the payment having been made or postponed.

Name and principal position	Year	Salary (\$)	Option-based Awards ⁽¹⁾ (\$)	All other compensation ⁽²⁾ (\$)	Total compensation (\$)
Michael Curtis ⁽³⁾ President and Chief Executive Officer	2012	60,000	25,180	81,500 ⁽⁴⁾	166,680
	2011	---	184,000	96,500 ⁽⁴⁾	280,500
	2010	---	---	---	---
Marcel Bergeron Chief Financial Officer	2012	47,500	25,180	66,500	139,180
	2011	---	73,600	102,500	176,100
	2010	---	---	85,250	85,250

Notes:

- (1) The Corporation applies the fair value method of accounting for stock-based compensation awards granted to directors, officers, employees and other key personnel of the Corporation, which method reflects the total fair value of instruments at the date of options award. The fair value is calculated based on the Black-Scholes option pricing model, which was designed to estimate the fair value of traded options that have no vesting restrictions and are fully transferable. The fair value of options at the date of grant on February 20, 2012 was also calculated using the following weighted average assumptions: 1) Expected Life: 5 years; Risk-Free Interest Rate: 1.52%; Expected Volatility: 100 % and Expected Dividend Yield: Nil. The fair value options awarded is \$0.14 per share.
- (2) Refers to consultant fees paid directly or indirectly to the Designated Executive Officers.
- (3) Mr. Curtis has been appointed as President and Chief Executive Officer of the Corporation on January 6, 2011 and as Director of the Corporation on June 30, 2011.
- (4) Mr. Curtis received respectively for the years of 2012 and 2011, \$81,500 and \$96,500 through Cardwell Capital Corporation for which he is the President.

Stock Option Plan

Ten percent (10%) of the Common Shares of the capital stock of the Corporation issued and outstanding from time to time is reserved for the issuance of stock options pursuant to the Stock Option Plan of the Corporation (the "**Plan**"). Only directors, officers, employees or consultants of the Corporation or of its subsidiaries may receive stock options pursuant to the Plan (an "**Admissible Person**"). The exercise price and the term of stock options are determined by the Board of Directors and are subject to approval by the TSX Venture Exchange (the "**Exchange**"). However, the exercise price cannot be lower than the closing market price of the Corporation's shares on the last trading day prior to the issuance of options less any discount allowed by the Exchange, subject to a minimal price of ten cents (\$0.10). Stock options under the Plan are exercisable for a period no longer than five (5) years and the exercise price must be paid in full upon exercise of the option. The Board of Directors may amend the Plan, subject to, as the case may require, the approval of the shareholders, the Exchange and, the optionee's issued options.

The aggregate number of Common Shares reserved for issuance under stock options granted to insiders (as a group) cannot exceed ten percent (10%) of the issued Common Shares. The aggregate number of options granted to insiders (as a group), within a twelve (12) month period, cannot exceed ten percent (10%) of the issued Common Shares, calculated at the date an option is granted to the person. The aggregate number of options granted to a person (and to companies wholly owned by that person) within a twelve (12) month period, cannot exceed five percent (5%) of the issued Common Shares, calculated on the date an option is granted to the person.

The number of options granted to any consultant, whether an individual or legal person, over a twelve (12) month period, must not exceed two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the option is granted to the consultant. This two percent (2%) limit is included within the limitation of the aggregate number of Common Shares that can be reserved, as indicated in the first paragraph of this section. Furthermore, the aggregate number of options granted to an individual or legal person employed to provide investors relation activities must not exceed, over a twelve (12) month period, two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the option was granted. This two percent (2%) limit is included within the limitation of the aggregate number of Common Shares that can be reserved, as indicated in the first paragraph of this section.

The aggregate number of Common Shares set aside for the exercise of options on behalf of any Admissible Person shall not exceed five (5%) of the issued and outstanding Common Shares of the Corporation, without disinterested shareholder approval and compliance with applicable requirements of the Exchange. Options issued to

persons retained to provide investor relations activities must vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the options vesting in any three (3) month period. In the event that the Corporation wishes to proceed to any acceleration of said period, the Corporation shall obtain the prior approval of the Exchange.

The following chart sets forth, as of December 31, 2012, compensation plans under which equity securities of the Corporation were authorized for issuance:

Plan Category	Number of Common shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common shares remaining available for future issuance under the Stock Option Plan
Equity compensation plans approved by security holders	800,000	\$0.35	1,744,796

Incentive Plan Awards

The following charts set forth the outstanding stock options granted to each Director and Designated Executive Officer at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (number)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Marcel Bergeron	175,000	0.10	December 30, 2014	8,750
Marcel Bergeron	200,000	0.46	January 6, 2016	---
Marcel Bergeron	200,000	0.35	February 19, 2017	---
Rick Bonner	250,000	0.50	October 19, 2016	---
Rick Bonner	100,000	0.35	February 19, 2017	---
Michael Curtis	500,000	0.46	January 6, 2016	---
Michael Curtis	200,000	0.35	February 19, 2017	---
Philippe Frère	250,000	0.46	January 6, 2016	---
Philippe Frère	100,000	0.35	February 19, 2017	---
Louis Péloquin	100,000	0.46	January 6, 2016	---
Louis Péloquin	150,000	0.50	October 19, 2016	---
Louis Péloquin	100,000	0.35	February 19, 2017	---

Note:

(1) The TSX Venture Exchange closing price of the Common Share of the Corporation on the last trading day of the Corporation's fiscal year, December 27, 2012, was \$0.15.

Incentive Plan Awards – Value Vested and Earned During the Year

The following chart sets forth the option-based awards - value vested during the year to each Director and Designated Executive Officer:

Name	Option-based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
André Bergeron ⁽¹⁾	12,590	---
Marcel Bergeron	25,180	---
Rick Bonner	12,590	---
Michael Curtis	25,180	---
Philippe Frère	12,590	---
Louis Péloquin	12,590	---

Note:

- (1) Mr. Bergeron has been appointed as Director of the Corporation on June 9, 2006 and ceased to act as such on September 20, 2012.

Pension Plan

There is no pension plan for the Designated Executive Officers.

Employment Contracts and Termination and Change of Control Benefits

The Corporation has entered into an employment contract with Mr. Michael Curtis. Under said employment contract, Mr. Curtis has accepted to act as President and Chief Executive Officer of the Corporation for an undetermined period. In the event of a change of control of the Corporation or in the event his employment with the Corporation is terminated without cause, Mr. Curtis shall be indemnified for an amount equal to his annual compensation.

The Corporation has entered into an employment contract with Mr. Marcel Bergeron. Under said employment contract, Mr. Bergeron has accepted to act as Chief Financial Officer of the Corporation for an undetermined period. In the event of a change of control of the Corporation or in the event his employment with the Corporation is terminated without cause, Mr. Bergeron shall be indemnified for an amount equal to his annual compensation.

Compensation Analysis

General Principles of Executive Compensation

Although the Corporation has not adopted a formal compensation program due to its current development stage, remuneration plays an important role to attract, motivate and retain key members of the management team required for its success and to drive strategic growth initiatives.

Compensation is designed so as to constitute adequate reward for services and incentive for the executive management team to implement strategies aimed at increasing share value and creating economic value. The compensation is also established according to the duties and responsibilities that rest on the individuals and their own level of performance. Compensation is developed by keeping in mind the limitations of the Corporation, which are due to the activities of the Corporation, as it is a small mining exploration corporation and has no precedents of benefits.

The Corporation is committed to a total compensation that: (a) will be competitive with the compensation received by executives employed by other small mining exploration corporations, without conducting formal benchmark with peers; (b) will link the executives' interests with those of the shareholders; and, (c) will reward superior

performance. The Corporate Governance Committee did not consider the implications of the risks associated with the Corporation's compensation policies and practices.

Determining Compensation

The compensation of the Designated Executive Officers is established by the Board, upon the recommendation of the Corporate Governance Committee. As of the date hereof, Messrs. Rick Bonner, Philippe Frère, and Louis Péloquin are the members of the Corporate Governance Committee.

The compensation of Designated Executive Officers, to the exception of the President and Chief Executive Officer, is proposed by the President and Chief Executive Officer to the Corporate Governance Committee, which recommends the adoption by the Board of Directors after independent negotiations with each executive officer. The compensation of the President and Chief Executive Officer is established by the Corporate Governance Committee, which recommends the adoption by the Board of Directors.

Components of Overall Compensation

When assessing total direct annual compensation, the Corporation focuses on three (3) key components which are intended to collectively make up most of a executive total compensation opportunity and to reward past and current performance and to create incentives with respect to future performance. These key components are comprised of base salary, incentive bonus and the grant of Common Shares stock options of the Corporation.

Base Salary

For the fiscal year ended December 31, 2012, base salary is evaluated based on comparisons to the base salaries offered by small capital stock companies in the mining industry, as well as on more subjective criteria such as internal equity and individual contributions to the results of the Corporation. The Corporation's view is that a competitive base salary is a necessary element for retaining qualified executive officers. Base salaries are negotiated on an individual basis with each of the executive officers and are subject to an annual review.

Based upon their respective experience in the mining sector, the members of the Corporate Governance Committee re-evaluate the base salary component of the compensation for the Designated Executive Officers of the Corporation on a going forward basis to ensure that it reflects salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons, as well as the ability and experience of the Corporation's Designated Executive Officers. Therefore, compensation paid during the most recently completed financial year is not necessarily indicative of expected compensation levels in the future.

Incentive Bonus

The Corporation is currently in a growth period, and as such, incentive bonuses are not being granted, despite the satisfactory work accomplished by the Designated Executive Officers. This decision has been made with the view of maintaining a healthy financial position.

Option-Based Award Plan

The grant of stock options is part of the long-term incentive component of executive compensation and is an essential part of compensation. The Designated Executive Officers may participate in the Corporation's stock option plan, which is designed to encourage optionees to link their interests with those of shareholders, in order to increase the value for shareholders. Besides the complementary aspect to compensation, the stock options award to Members of the Board and Designated Executive Officers of the Corporation aims to encourage their participation in the growth and development of the Corporation by providing them with the opportunity through common shares options to acquire or increase a financial stake in the Corporation and thereby motivate them to carry out the strategic initiatives of the Corporation. The number of options granted is determined following deliberations of the Board of Directors, upon the recommendation of the Corporate Governance Committee, and based on several factors, such as the investment in time and money, the functions and responsibilities related to the position, the level of responsibility and the general contribution that an individual can bring to the Corporation in terms of experience, knowledge of the mining sector and other qualities of the individual, the whole, without taking into account previous grants. There is no specific weighting given to each of these criteria, which are considered as a whole. The terms of the plan are described below under the heading "Stock Option Plan" of this Circular.

INTEREST OF MANAGEMENT AND CERTAIN RELATIONSHIPS IN MATERIAL TRANSACTIONS

Except for those mentioned thereafter, to the knowledge of Management of the Corporation, no director or officer, insider, nor any of their respective associates, affiliates or member of their group have any material interests in a transaction having been concluded since the beginning of the last fiscal year or has an interest in any planned transaction that has or could affect in a material manner the Corporation or one of its subsidiaries.

Mr. Louis Péloquin has provided certain legal services to the Corporation in regards to certain matters during the fiscal year ended December 31, 2012 and should continue to provide legal services for the year 2013.

INDEBTEDNESS OF OFFICERS AND DIRECTORS TO THE CORPORATION

No director, officer, or any of their respective associates or affiliates is or has been, at any time during the fiscal year ended December 31, 2012, indebted to the Corporation.

DIRECTORS AND OFFICERS INSURANCE

As part of the risk insurance program, the directors' and officers' liability insurance policy provides for a reimbursement by the corporation and a coverage limit of \$5,000,000 for each and every loss experienced by the directors and officers of the Corporation. A \$10,000 deductible per loss is payable. The annual premium paid by the Corporation is approximately \$15,905.

Subject to the limitations of the *Canada Business Corporations Act*, a director or officer is entitled to claim from the Corporation his incurred costs, charges and expenses (including amounts paid to settle an action or satisfy a judgement) in respect of any action or proceeding to which he is a party by reason of being a director or officer of the Corporation.

MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION AND RECEIPT OF THE FINANCIAL STATEMENTS

The management report, the audited financial statements, as well as the related auditors' report for the fiscal year ended December 31, 2012 will be presented to the shareholders at the Meeting, but no vote is required, nor will a vote be taken for their approval.

ELECTION OF DIRECTORS

The Corporation's articles provide that the Board of Directors shall be composed of a minimum of one (1) and a maximum of ten (10) directors as determined by the Board of Directors from time to time; that number is currently fixed at six (6). The directors are elected every year. Each of the nominees named hereunder has advised the management of the Corporation that he would be willing to serve as a director if elected. **Management of the Corporation proposes the decrease of the number of directors from six (6) to five (5) and the nomination of five (5) directors for the current year, and the persons named in the accompanying Proxy annexed hereto intend to vote in favour of the election of the persons named below as directors. All candidates registered on the following list are current members of the Board of Directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy reserve the right to vote for another nominee in their discretion.** Each nominee elected as a director will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* or his office is earlier vacated pursuant to the by-laws of the Corporation.

UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE CONCERNING THE ELECTION OF THE FOLLOWING CANDIDACIES, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE ELECTION OF THE FOLLOWING CANDIDACIES.

The *Canadian Business Corporations Act* and the applicable securities laws require that the Corporation has an audit committee. The Corporation has thus created a permanent Audit Committee (the “**Audit Committee**”). The Board of Directors also created the Corporate Governance Committee, responsible for all nomination and compensation matters, as well as other corporate governance issues, the whole as more fully described under the heading “Statement of Corporate Governance Practices” of this Circular.

The following table states, for each nominee proposed as director of the Corporation, her or his name, her or his municipality of residence, the year during which she or he became a member of the Board of Directors, her or his main duties and information regarding the Common Shares she or he beneficially owns or controls or directs, directly or indirectly, as of the date hereof.

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Positions During the Last Five (5) Years</u>	<u>Number and percentage of Common Shares held or controlled⁽¹⁾⁽²⁾</u>
Marcel Bergeron ^(A) Montreal, Québec	Chief Financial Officer since December 31, 2009 and Director since June 15, 2010 “Proposed Director”	Marcel Bergeron is a member of the <i>Ordre des comptables agréés du Québec</i> and of the <i>Ordre des comptables en management accrédités du Québec</i> . Mr. Bergeron began his career with the accounting firm Petrie Raymond, LLP specialized in the SME sector. Following almost 30 years of practice and having held significant management positions, Mr. Bergeron left the firm to join Devimco Inc., a commercial real estate development corporation, as General Director from June 2006 to June 2009. Since 2009, Mr. Bergeron acts as financial consultant. In addition to his accomplished public accounting career, Mr. Bergeron also sits on the Boards of Directors and Audit Committees of mining corporations, namely Strateco Resources Inc., Matamec Explorations Inc., the capital pool companies Kilkenny Capital Corporation and Quinto Real Capital Corporation, and sat on the Boards of Directors and Audit Committees of other mining corporations, namely TomaGold Corporation, Jourdan Resources Inc. and MDN Inc. Mr. Bergeron is also the Vice President of Finance of Northern Precious Metals Management Inc.	1,094,000 2.31%
Rick Bonner ^{(A)(B)} Westport, Ontario	Director since August 24, 2011 “Proposed Director”	Rick Bonner, B.Sc. Geology, P. Geol., has 30 years of mineral exploration experience on four continents including the difficult jurisdictions of the Russian Far East, Central Asia and Africa. Mr. Bonner co-founded Westport Resources Namibia which he developed into a significant exploration company for Forsys Metals Corp, a TSX-listed uranium company operating in Namibia, Africa. This work included advancing their key project, the Valencia uranium deposit, from the exploration stage to reserve-resource definition stage at which point it was delivered for development. He is a member of the Institute of Corporate Directors, the Society of Economic Geologists and the Canadian Institute of Mining and Metallurgy. Mr. Bonner is a present director of Augustine Venture Inc. and a past director of Delta Uranium Inc. and Pangolin Diamonds Corp.	NIL
Michael Curtis St-Eustache, Québec	President and Chief Executive Officer since January 6, 2011, and Secretary and Director since June 30, 2011 “Proposed Director”	Michael Curtis has over 35 years of experience in the Canadian financial industry in the areas of trading, research, corporate finance and the management of public companies. In 1998, he founded and became President and a director of Cardwell Capital Inc., a private investment and trading corporation that invests in small and mid-capitalization public companies trading on North American markets. Mr. Curtis was also a Director of TomaGold Corporation, eShippers Management Ltd., St-George Platinum and Base Metals Ltd., Argex Silver Capital, Holding Clé D’Or Inc. and Visible Gold Mines Inc. He has	584,500 1.23%

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Positions During the Last Five (5) Years</u>	<u>Number and percentage of Common Shares held or controlled⁽¹⁾⁽²⁾</u>
Philippe Frère ^{(A)(B)} St-Lambert, Québec	President of the Board since January 22, 2010 and Director since October 31, 2006 "Proposed Director"	been the President, Chief Executive Officer and Director of Roadrunner Oil and Gas Inc. and he is the President, Chief Executive Officer and Director of Opal Energy Corp. Mr. Curtis is presently a Director of Cellstop Systems Inc., Quinto Real Capital Corporation, Declan Resources Inc. and Perisson Petroleum Corporation. Philippe Frère is a graduate of Collège Jean-de-Brébeuf and Université de Montréal and has been called to the Quebec Bar in 1984. The same year, he joined Lavery, de Billy, L.L.P., and became partner with the firm in 1991. His practice is mainly devoted to administrative litigation, labour law and professional law. Over the years, he has gained solid experience in all areas of labour law, including collective agreement negotiations and labour litigation in the private and public sectors. He also has extensive knowledge of pharmacy law, including federal and provincial laws and regulations pertaining to drugs marketing and distribution, provincial formularies, private and public drug insurance coverage and regulatory affairs. He has represented and advised numerous drug manufacturers and distributors in complex litigations and regulatory matters. He also acts on a regular basis as legal counsel to a number of private and public clients, including professional orders and matters related to administrative litigation, legislative drafting, constitutional law, judicial review and injunctions. Mr. Frère also sits on the Board of Directors of Quinto Real Capital Corporation, a capital pool company.	400,000 0.84%
Louis Péroquin ^(B) Lorraine, Québec	Director since January 20, 2011 "Proposed Director"	Louis Péroquin is a business consultant with extensive international experience in management, mergers and acquisitions, corporate development, government relations and corporate finance. He has developed a solid expertise in natural resources as a senior executive at major mining companies in Canada and the United States. Mr. Péroquin was a member of the management committees of Golden Star Resources, an international mining company based in Denver, Colorado, and of Quebec Cartier Mining Company (now ArcelorMittal Mines Canada), a major iron ore producer based in Montreal, Quebec. Mr. Péroquin also practiced law in New York City. He is currently an adjunct professor at the University of Montreal, School of Law. Mr. Péroquin is a member of the Quebec and New York bars. Mr. Péroquin sits on the Board of Directors of Pangolin Diamonds Corp.	20,000 0.04%

Notes:

- (A) Current member of the Audit Committee.
- (B) Current member of the Corporate Governance Committee.
- (1) The above-mentioned candidates have personally provided the information regarding the Common Shares they hold, directly or indirectly, or on which they exercise control.
- (2) Number of Common Shares outstanding as at May 24, 2013: 47,447,963.

Except for those mentioned thereafter, to the Corporation's knowledge, no proposed director is, as of this day, or has been in the past ten (10) years before the date, a director, Chief Executive Officer or Chief Financial Officer of the Corporation or of any other company that was the subject of a cease trade or similar order, or an order that denied to the Corporation the access to any exemption under securities legislation for a period or more than thirty (30) consecutive days and pronounced:

- a) while that person was acting in that capacity; or
- b) after the director or executive officer ceased to be a director or executive officer in the Corporation arising from an event arising while that person was acting in that capacity.

Except for those mentioned thereafter, to the Corporation's knowledge, no proposed director:

- a) is, as of this day, or has been within ten (10) years before this date, a director or executive officer of any other 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;
- b) has, within the ten (10) years before this date, 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;
- c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Michael Curtis was a director of Lixor Inc. against whom the Québec Securities Commission issued a cease trade order on April 17, 2003 for failure to file its annual financial statements, annual reports and interim financial statements. Additionally, Lixor Inc. was suspended from trading on the TSX Venture Exchange and subsequently delisted.

Mr. Michael Curtis was director of AAER Inc. (formerly Bolcar Energie Inc.) from August 2003 to May 2006. AAER Inc. was suspended from trading on the TSX Venture Exchange on December 14, 2005 for failure to complete a qualifying transaction. AAER has completed a qualifying transaction thereafter.

Mr. Michael Curtis was also a director of Next Millenium Commercial Corp. (formerly Double Impact Communications Corp.) from December 1992 to December 2009 which company was subject to cease trade orders issued by the Québec Securities Commission on August 8, 1995 and on August 12, 1997. On May 23, 2001, Next Millenium Commercial Corp. was suspended from trading on the TSX Venture Exchange for failure to meet tier maintenance requirements. All cease trade orders issued against Next Millenium Commercial Corp. have been lifted. A cease trade order was also issued against Roadrunner Oil and Gas (formerly Next Millennium Commercial Corp.), a company on which Mr. Curtis also served as director, by the British Columbia Securities Commission on September 9, 2008 for failure to file interim financial statements and Management's Discussion & Analysis for the quarter ended June 30, 2008. This cease trade order was lifted on September 18, 2008 and the TSX Venture Exchange reinstated the company for trading effective September 30, 2008.

Majority Voting Policy for Election of Directors

On May 24, 2013, the Board of Directors of the Corporation adopted a majority voting policy for the election of directors in uncontested elections. Under that policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast at the meeting of shareholders, the director shall promptly tender his or her resignation within twenty (20) days of said election for consideration by the Governance Committee and the Board of Directors. The policy is available on the Corporation's web site at www.nevadoresources.com.

APPOINTMENT OF AUDITORS

At the Meeting, you will be asked to vote for the appointment of PricewaterhouseCoopers LLP, as independent auditors of the Corporation until the next annual meeting. Management of the Corporation proposes that PricewaterhouseCoopers LLP, be nominated as auditors of the Corporation and that directors of the Corporation be authorized to establish their remuneration. PricewaterhouseCoopers LLP have been the auditors of the Corporation

since June 30, 2011. Raymond Chabot Grant Thornton LLP were the auditors since June 9, 2006 and ceased to act as such on June 30, 2011.

UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE CONCERNING THE APPOINTMENT OF THE AUDITORS, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS AS AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.

Measures have been taken to assure that one or more representatives of PricewaterhouseCoopers LLP, will be present at the Meeting. Representatives of PricewaterhouseCoopers LLP, will have the opportunity to discuss and answer pertinent questions.

In addition to performing the audit of the Corporation's financial statements, PricewaterhouseCoopers LLP and Raymond Chabot Grant Thornton LLP provided other services to the Corporation and invoiced the following fees for each of the Corporation's two most recently completed financial years:

Professional Fees	Fiscal Year Ended December 31, 2012	Fiscal Year Ended December 31, 2011
Audit Fees ⁽¹⁾	\$52,500	\$36,600
Audit-Related Fees ⁽²⁾	\$37,961	\$37,317
Tax Fees ⁽³⁾	\$26,250	\$15,000
All other Fees ⁽⁴⁾	\$1 782	\$8,690
TOTAL	\$118,493	\$97,607

Notes:

- (1) Refers to the aggregate professional fees invoiced by the Corporation's external auditor for audit services.
- (2) Refers to the aggregate professional fees invoiced for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under note (1) above, including professional services rendered by the Corporation's external auditor for accounting consultations on proposed transactions and consultations related accounting and reporting standards.
- (3) Refers to the aggregate professional fees invoiced for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning. These fees refer to various consultations with the external auditors relating to general taxation.
- (4) Refers to the aggregate professional fees invoiced for products and services provided by the Corporation's external auditor, other than the services reported under notes (1), (2) and (3) above.

APPROVAL OF THE STOCK OPTION PLAN

Under the Corporation's Common Share stock option plan approved by its shareholders on June 18, 2012 (the "**Plan**"), the Board of Directors of the Corporation may, by resolution, grant options to directors, officers, employees of, and consultants to, the Corporation, provided that the total number of shares issued under the Plan shall not exceed ten percent (10%) of the number of Common Shares of the Corporation outstanding at the time of the grant of option. As at the date hereof, this number represents 4,744,796 Common Shares. On May 24, 2013, 3,000,000 stock options of Common Shares are issued and outstanding.

The said Plan is described hereinabove in the section entitled "Stock Option Plan". The Corporation wishes to update the Plan in order to reflect the number of stock options that may be granted according to the issued and outstanding shares to date; the Shareholders therefore are being asked to consider and, if appropriate, approve the following resolution:

UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE OR TO VOTE AGAINST CONCERNING THE FOLLOWING RESOLUTION, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE FOLLOWING RESOLUTION.

"

WHEREAS it is in the best interest of the Corporation to approve the Corporation's common share stock option plan (the "**Plan**");

BE IT RESOLVED THAT the Plan and all granting, cancellation and exercise of stock options since the adoption of the Plan are and they are hereby approved, ratified and confirmed according to the terms and conditions approved by the Board of Directors;

BE IT RESOLVED THAT any director or officer is hereby authorized, for and on behalf of the Corporation, to execute and deliver any documents, instruments or other writings and to do all other acts as may be necessary or desirable to give effect to the foregoing resolution.

”

CORPORATE GOVERNANCE COMMITTEE

The Board of Directors undertook to implement a number of corporate governance measures compatible with the Corporation’s vision, principles and values, as described below.

The Board of Directors of the Corporation created the “Corporate Governance Committee”, which committee also oversees, if applicable, remuneration policies. The current members of the Committee are Messrs Rick Bonner, Philippe Frère and Louis Péloquin. The members of the Corporate Governance Committee have the skills and experience reflected in the section entitled “Election of Directors” that enable the Corporate Governance Committee to make decisions on the suitability of the Corporation’s compensation policies and practices. The Corporate Governance Committee oversees the analysis of questions relating to corporate governance of the Corporation according to the Corporate Governance Committee’s charter and formulates recommendations to the Board of Directors in regards to corporate governance matters, compensation and evaluation, the whole in accordance with the Corporate Governance Committee’s charter. The Corporate Governance Committee has namely reviewed and adopted the charter of recommended the adoption of the charter of the Corporate Governance Committee, the charter of the Board of Directors and the Disclosure Policy.

AUDIT COMMITTEE

The Audit Committee of the Corporation examines in a direct manner, with the assistance of the auditors, the financial statements of the Corporation and recommends their approval to the Board of Directors. Members of the Audit Committee are Messrs Marcel Bergeron, Rick Bonner and Philippe Frère. Schedule “B” contains the Audit Committee charter.

CORPORATE GOVERNANCE

The Board of Directors of the Corporation considers that good practices regarding corporate governance constitute one of the important factors contributing to the general success of the Corporation. In accordance with *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* and *Policy Statement 58-201 to Corporate Guidelines*, the Corporation must reveal its practices on the matter. Schedule “A” contains a description of the practices of the Corporation.

ADDITIONAL INFORMATION

Additional financial information relating to the Corporation is included in its comparative financial statements as well as in the document entitled Management’s Discussion and Analysis for the last financial year.

The Corporation shall deliver the following documents in English or French (or both) to any person who requests them from the Corporate Secretary, at 777 de la Commune Street West, Suite 100, Montreal, Québec, Canada, H3C 1Y1:

- i) a copy of Management’s Discussion and Analysis and the financial statements of the Corporation for its last fiscal year and the auditors’ report thereon.

These documents and other information respecting the Corporation are available on the SEDAR website at www.sedar.com.

BOARD OF DIRECTORS' APPROVAL

The contents and the mailing of this Circular and proxy statement have been approved by the Board of Directors of the Corporation.

NEVADO RESOURCES CORPORATION



Michael Curtis
President and Chief Executive Officer

Signed at Montreal, Québec
May 24, 2013

SCHEDULE A

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In January 2004, the Canadian Securities Administrators (the “**Authorities**”) adopted Multilateral Instrument 52-110 – *Audit Committees*. Certain amendments to such instrument were subsequently adopted and have been in force since June 30, 2005 (such instrument, as amended, the “**Authority Audit Committee Rules**”). The Authority Audit Committee Rules include requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit related matters. The Corporation complies with these rules and appropriate disclosure is made, where applicable, in connection therewith in the following table.

The Authorities also adopted Multilateral Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “**Authority Disclosure Instrument**”) and National Policy 58-201 – *Effective Corporate Governance* (the “**Authority Governance Policy**”), which have been in force since June 30, 2005. The Authority Governance Policy provides guidance on governance practices to Canadian issuers, while the Authority Disclosure Instrument requires issuers to make the prescribed disclosure regarding their governance practices, if necessary. The disclosure made hereunder refers to the items of the Authority Disclosure Instrument as well as to the Authority Governance Policy, where appropriate. The Corporation believes that its corporate governance practices meet the requirements of the Authority Disclosure Instrument and the Authority Governance Policy, as reflected in the disclosure made hereunder.

The Corporation periodically reviews its corporate governance practices in order to respond to the evolution of best practices.

Majority Voting Policy for Election of Directors

On May 24, 2013, the Board of Directors of the Corporation adopted a majority voting policy for the election of directors in uncontested elections. Under that policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast at the meeting of shareholders, the director shall promptly tender his or her resignation within twenty (20) days of said election for consideration by the Governance Committee and the Board of Directors. The policy is available on the Corporation’s website www.nevadoresources.com.

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>1. Board of Directors</p> <p>(a) Disclose how the board of directors of the Corporation (the “Board”), facilitates its exercise of independent supervision over management, including:</p> <ul style="list-style-type: none"> i) the identity of directors who are independent; and ii) the identity of directors who are not independent, and the basis for that determination. 	<p>Of the current five (5) members of the Board, two (2) directors are currently independent within the meaning of the Authority Disclosure Instrument. They are Rick Bonner and Philippe Frère.</p> <p>After having examined the relationship of each of its members, the Board has determined that the following directors were not independent: (i) Mr. Marcel Bergeron is an executive officer of the Corporation (Chief Financial Officer) and therefore, does not qualify as “independent” within the meaning of the Authority Disclosure Instrument; (ii) Mr. Michael Curtis is the President and Chief Executive Officer of the Corporation and therefore, does not qualify as “independent” within the meaning of the Authority Disclosure Instrument; and (iii) Mr. Louis Péloquin is one of the legal advisers of the Corporation and therefore, does not qualify as “independent” within the meaning of the Authority Disclosure Instrument.</p> <p>During all meetings of the Board and meetings of committees of the Board, the independent directors have the opportunity to meet without any representatives of management being present.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>(b) If a director is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>The directorships of all current directors and director nominees are described at pages 11 and 12 of this Circular.</p>
<p>2. Orientation and Continuing Education</p> <p>Describe what steps, if any, the Board takes to orient new Board members, and describe any measures to provide continuing education for directors:</p>	<p>The Corporate Governance Committee is responsible for monitoring the Corporation's orientation and continuing education program for new directors.</p> <p>The Corporation offers new directors an orientation and continuing education program which focuses on strategic thrusts, financial information and human resources, including the roles, responsibilities and liabilities of directors.</p> <p>Presentations on the Corporation's business are made by management at each Board meeting.</p>
<p>3. Ethical Business Conduct</p> <p>Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board has adopted an internal Confidentiality and Disclosure Policy, a Trading Restrictions and Blackout Periods Policy and a Whistle Blower Policy.</p> <p>The Board, through its Audit Committee and Corporate Governance Committee, has the responsibility to periodically review the corporate governance policies and monitor adherence thereto by management.</p> <p>The policies are available upon request addressed to the Corporation's Secretary.</p> <p>In accordance with applicable law, when a conflict of interest arises, a director is required to disclose his or her interest and abstain from voting on the matter. In practice, the Board requests every director to disclose any direct or indirect interest he or she has in any organization, business or association, which could place the director in a conflict of interest. Should there be a discussion or decision relating to an organization, business or association in which a director has an interest, the Board would request such director not to participate in any such discussion or decision.</p>
<p>4. Nomination of Directors</p> <p>Disclose what steps, if any, are taken to identify new candidates for board nominations, including:</p> <p>(a) who identifies new candidates; and</p>	<p>The Corporate Governance Committee is responsible to receive and review the candidates, and recommend to the Board the hiring of executive management, or the appointment or election of directors of the Corporation.</p>
<p>(b) the process of identifying new candidates.</p>	<p>The Corporate Governance Committee has the responsibility of recommending to the Board adequate procedures for the selection of new directors and to periodically review the criteria adopted by the Board. It also has the responsibility of recommending to the Board candidates who are deemed competent and capable of becoming members of the Board, in</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
	<p>accordance with the criteria of the new directors adopted from time to time by the Board and established according to the charter of the Corporate Governance Committee.</p> <p>In addition to receiving and to reviewing the candidature and recommend the hiring, the Corporate Governance Committee considers and approves the requests to hire special counsels, recommends the opportunity to create new functions in the Corporation, analyses the needs of the Board if there are any vacancies and recommends the dismissal of a director or a member of the Executive Management, if necessary.</p>
<p>5. Compensation</p> <p>Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including:</p> <p>(a) Who determine compensation, and</p>	<p>The Corporation's compensation program concerning directors and executive management is the responsibility of the Corporate Governance Committee.</p> <p>The Committee also approves the recruiting as well as the levels of compensation of all the members of Executive Management and shares its decisions in this respect with the Board.</p>
<p>(b) The process of determining compensation.</p>	<p>The Corporate Governance Committee has the responsibility to periodically review the compensation of Executive Management.</p> <p>The Corporate Governance Committee is responsible for periodically reviewing and evaluating the performance and contribution of all directors and the effectiveness of the Board as a whole; and, annually reviewing the compensation of the directors in their capacity as directors and make recommendations to the Board.</p> <p>The Corporate Governance Committee has namely the responsibility of examining and approving the goals and objectives of the Corporation relating to the remuneration of the President and Chief Executive Officer, to evaluate the performance of the President and Chief Executive Officer with respect to these goals and objectives, to account for the results of such an evaluation of the Board and to recommend to the Board the level of remuneration of the President and Chief Executive Officer according to this evaluation.</p>
<p>6. Other Board Committees</p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has created the Corporate Governance Committee, which is currently composed of Rick Bonner, Philippe Frère and Louis Péloquin. The Corporate Governance Committee assists the Board within the exercise of its functions, supervises the Executive Management of the Corporation in order to improve the value of the securities of the Corporation in the long-run for the shareholders, guides the Board with respect to the policies and decisions regarding corporate governance, as well as the appointment and remuneration of both Executive Management and Directors of the Corporation.</p> <p>The Board has determined that the Corporate Governance</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
	<p>Committee is currently composed of two (2) independent directors within the meaning of the Authorities Disclosure of Corporate Governance Regulation, namely Rick Bonner and Philippe Frère. Mr. Louis Péroquin is one of the legal advisers of the Corporation and therefore, does not qualify as “independent” within the meaning of the Authority Disclosure Instrument.</p>
<p>7. Assessments</p> <p>Disclose what steps, if any, the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Board has an informal process for assessing its effectiveness and that of its committees. The Chairman of the Board bears this responsibility along with the President of the Corporate Governance Committee (the “Committee”). On an annual basis, each director and Committee member evaluates the performance of the Board or Committee of which he is a member, taking into account various criteria, namely the composition, functioning, responsibilities, surveillance activities and efficiency of the Board or Committee, as well as the comprehension of the business and the remuneration of its members. The observations of each member are informally submitted to the Chairman of the Board or Committee. They are discussed within the Committee and are then presented to the Chairman of the Board</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must be composed of a minimum of three (3) members, where a majority must be “independent” directors (as defined in those rules).</p>	<p>The Audit Committee is currently composed of three (3) directors, namely Marcel Bergeron, Rick Bonner and Philippe Frère.</p> <p>The Board has determined that the Audit Committee is currently composed of two (2) independent directors within the meaning of the Authorities Audit Committee Rules, namely Rick Bonner and Philippe Frère. Mr. Marcel Bergeron is an executive officer of the Corporation (Chief Financial Officer) and therefore, does not qualify as “independent” within the meaning of the Authority Disclosure Instrument. Independent member of the Audit Committee in early 2012, Mr. Louis Péroquin ceased to be determined as “independent” during the year of 2012.</p>
<p>The Authorities Audit Committee Rules state that each audit committee member must be financially literate.</p>	<p>All three (3) members of the Audit Committee are “financially literate” within the meaning of <i>Policy Statement 52-110</i>.</p> <p>In determining whether or not a director is “financially literate”, the Board considers whether the director has “the ability to read and understand a set of financial statements that presents an extent and degree of complexity of accounting issues that are generally comparable to the extent and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements”.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must have a written charter that sets out its mandate and responsibilities.</p>	<p>The charter of the Audit Committee, submitted in the schedule hereto, explicitly describes the role and oversight responsibilities of the Audit Committee.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must recommend to the Board: (a) the external auditor to be nominated for the purposes of preparing or issuing an auditors’ report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.</p>	<p>The charter of the Audit Committee states that the Audit Committee is responsible for: (a) appointing, terminating and compensating, subject to the Board’s ratification and shareholders’ approval, the external auditor; and (b) approving any compensation payable by the Corporation for any approved audit or non-audit services to the external auditor,</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
	<p>including the fees, and the terms and conditions for the performance of such services.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.</p>	<p>The charter of the Audit Committee states that the Audit Committee is responsible for: (a) evaluating and overseeing the work of the external auditor of the Corporation for the purpose of preparing or issuing an audit report or related work, and the external auditor must report directly to the Audit Committee; and (b) resolving disagreements between Management and the external auditor regarding financial reporting.</p> <p>At least once annually, the Audit Committee obtains a report by the external auditor describing, to the extent permitted under applicable auditing standards: (a) the external auditor's internal quality-control procedures; and (b) all relationships between the external auditor and the Corporation.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.</p>	<p>The charter of the Audit Committee states that the Audit Committee is responsible for approving, in advance of the provision thereof, all audit services and all non-audit services to be provided to the Corporation by the external auditor. The Committee may delegate such authority to one or more members of the Committee.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must review the issuer's financial statements, MD&A and annual and interim earnings press releases before the issuer publicly discloses this information. These rules also mention that the Audit Committee must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure referred to in the preceding sentence, and must periodically assess the adequacy of such procedures.</p>	<p>The charter of the Audit Committee provides that the Audit Committee is responsible for reviewing the annual and quarterly financial statements of the Corporation and accompanying information including the Corporation's MD&A disclosure and earnings press releases, prior to their release, filing and distribution. The Audit Committee must also review with management the financial information contained in documents required to be disclosed or filed by the Corporation before their disclosure or filing with regulatory authorities in Canada.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.</p>	<p>The Audit Committee has set up procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. A Disclosure Policy has been adopted by the Corporation.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.</p>	<p>The Audit Committee is responsible for establishing policies for the Corporation's hiring of employees or former employees of the Corporation's external auditor.</p>
<p>The Authorities Audit Committee Rules state that the Audit Committee must have the authority: (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) to set and pay the compensation for any advisors employed by the Audit Committee; and (c) to communicate directly with the internal and external auditors.</p>	<p>The charter of the Audit Committee states that the Audit Committee or its members may, without further approval of the Board, obtain such advice and assistance, including without limitation, the performance of special audits, reviews and other procedures, from outside accounting, legal or other advisors as the Audit Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities. The Audit Committee meets separately with Management and with the external auditor.</p>

SCHEDULE B

NEVADO RESOURCES CORPORATION



ORGANIZATIONAL CHARTER - Audit Committee

1. General Objectives

In accordance with its functions, the audit committee (hereinafter referred to as the **"Audit Committee"**), must encourage the continuous improvement and promote compliance with guidelines, procedures and financial practices for Nevado Resources Corporation (hereinafter referred to as the **"Corporation"**).

The primary and principal roles of the Audit Committee include acting as an independent and objective party so as to : (i) verify the Corporation's financial reporting process as well as its internal control procedures; (ii) verify and evaluate the reporting process of the Corporation's external auditors; (iii) provide better communication between the Corporation's external auditors and executive management (hereinafter referred to as "Executive Management") and the board of directors (hereinafter referred to as the "Board of Directors"); and (iv) insure that the Corporation adopts an appropriate disclosure policy.

The Audit Committee will act as to accomplish its responsibilities by executing the tasks enumerated in section 4 of this Charter.

2. Composition

The Audit Committee shall be composed of a minimum of three (3) directors of the Corporation. A majority of them shall not be "Related Parties", as defined in Policy 1.1 of the Corporate Finance Manual of the TSX Venture Exchange.

Even if it is an asset for an efficient and balanced Audit Committee to have diversification in competence and experience among its members, all members shall have basic knowledge of financial matters and at least one member of the Audit Committee shall have specialized knowledge in accounting or financial management.

The expression "basic knowledge of financial matters" shall mean the ability to read and understand basic financial statements, notably a balance sheet, a statement of earnings and a cash flows statement, as well as the ability to raise questions about the Corporation's accounting and financial risks.

A member will be deemed to have "specialized knowledge" if he has professional experience in finance or accounting, a professional accreditation in that field or another experience or background that made him develop specialized knowledge in financial matters.

Members of the Audit Committee will be elected by the Board of Directors and will hold their function until the next annual meeting of the Board of Directors or until the nomination of their successors. Unless the President of the Audit Committee is elected by all the members of the Board of Directors, members of the Audit Committee will be entitled to appoint a president by way of a majority vote. All members of the Audit Committee shall exercise their vote on that matter.

3. Organization

Except as specifically provided herein, or adopted from time to time, the by-laws of the Corporation shall govern the meetings of the Audit Committee. It is understood that the Audit Committee shall meet at least four (4) times per year or more if justified by the circumstances. In order to foster good communication between key players, the Audit Committee shall meet, at least annually, with Executive Management and external auditors of the Corporation. Those meetings shall be held distinctively and privately in order to discuss about any matter that the Committee or one of these groups will consider important or useful.

Moreover, the Audit Committee, or at least its president, shall discuss with the external auditors or the Executive Management at each end period, the whole in order to review the conformity of the quarterly financial statements of the Corporation.

4. Responsibilities and Duties

In order to satisfy its duties, the Audit Committee shall namely:

External Auditors

1. Recommend the appointment of the external auditors to the Board, who will consider their independence and performance for the purpose of preparing or issuing an auditor's report of perform other audit and approve their remuneration, treatments or other compensation to be paid;
2. Review and discuss periodically with the external auditors the relationship between the Corporation and the external auditors in order to analyze the independence and objectivity of the external auditors;
3. Consult at least annually the external auditors, without the attendance of the Executive Management, in order to discuss the internal audit control process;
4. Require from the external auditors a declaration of independence while filing the annual report and preceding each mandate granted;
5. Evaluate the external auditor's performance and recommend their replacement if the circumstances are justified;
6. For the duration of the annual financial statements review process and before their filing, review independently with the Executive Management and the external auditors any important difficulties incurred during the review process, including any restriction on the work load completed or the access to required information;
7. Resolve any important disagreements between the Executive Management and the external auditors regarding financial statements;
8. Approve in advance all non-audit related services that the external auditor of the Corporation shall pay to the Corporation. The Audit Committee may delegate to one or more independent members the authority to pre-approve, but the pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval. The Audit committee satisfies the pre-approval requirement if it adopts specific policies and procedures for the engagement of the non-audit services, if: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to management;
9. Be directly responsible for overseeing 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 Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting; and
10. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

Financial Reporting and Disclosure of Documents

11. Review the integrity of the financial disclosure process in consulting with the external auditors and the Executive Management of the Corporation;
12. Discuss the quality of the accounting principles with the external auditors of the Corporation, including accuracy of the financial information disclosure, highly judgmental areas such as reserves or estimates and the application of accounting principles by Executive Management;
13. In case of changes to accounting principles adopted by the Corporation as suggested by the Executive Management and endorsed by the external auditors, review and submit these changes for approval to the Board;
14. Review with management the financial statements, MD&A, annual and interim profit or loss press releases before the information is publicly disclosed, in compliance with the disclosure rules edicted by the competent authorities or the disclosure policy of the Corporation;
15. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the previous paragraph, and must periodically assess the adequacy of those procedures;
16. Review any certificate, report, opinion, letter or correspondence sent by the external auditors of the Corporation and, if applicable, any answers from the Executive Management to the said correspondence;
17. Review annually the mandates of the Audit Committee and recommend to the Board of Directors modifications to the mandates if thought necessary;
18. Prepare and recommend annually to the Board of Directors a "Summary of the Audit Committee Practices" to be included in the annual report or in the management proxy circular; and
19. Review and update, if applicable, this Charter periodically, at least annually.

Disclosure Policy

20. See to put into place adequate procedures and see that Executive Management respects the disclosure policy regarding; i) financial information; ii) operations, activities, facts or events having a material effect on the Corporation's financial condition;
21. Ensure that the Executive Management acts in compliance with the Corporation's disclosure Policy;
22. Establish procedures for the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters;
23. Establish procedures for confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
24. Have the authority to engage, without prior approval from the Board of Directors, independent counsel and other advisors as it determines necessary to carry out its duties, including, without limitation, the execution of special audits, examinations and other procedures, to set and pay the compensation for such advisors employed by the Audit Committee.

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