



AURANIA

AURANIA RESOURCES LTD.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 13, 2018

Dated April 30, 2018

AURANIA RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Aurania Resources Ltd. (the “**Company**”) will be held at Vantage Venues, 150 King Street West, 27th Floor, S7 – Caledonia Room, Toronto, Ontario, M5H 1J9 on June 13, 2018 at 3:00 p.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2017 and the report of the auditors thereon;
2. to appoint UHY McGovern Hurley LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Company’s 2012 Incentive Stock Option Plan;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Company’s 2017 Restricted Stock Unit Incentive Plan (“**RSU Plan**”);
6. to consider and, if thought advisable, to pass an ordinary resolution approving and confirming the amendment to the Company’s Bye-Laws; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An “ordinary resolution” is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 14, 2017 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A copy of the Company’s annual consolidated audited financial statements and Management’s Discussion and Analysis for the year ended December 31, 2017 have been filed electronically through the system for electronic document analysis and retrieval (“**sedar**”) <http://www.sedar.com> and are also available on the Company’s website <http://www.aurania.com>

VOTING

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered

holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with Capital Transfer (in the case of registered holders) at Suite 920, 390 Bay St., Toronto, Ontario M5H 2Y2, Fax Number: 416.350.5008, prior to the Proxy Deadline, failing which such votes may not be counted, or your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline.

SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR BEFORE VOTING.

DATED this 30th day of April, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF
AURANIA RESOURCES LTD.**

(signed) *“Keith Barron”*

Dr. Keith Barron
Chief Executive Officer, Executive Chairman and Director

AURANIA RESOURCES LTD.

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION RESPECTING THE MEETING

Solicitation of Proxies

This information circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Company to be held at 3:00 p.m. (Toronto time) on June 13, 2018 at Vantage Venues, 150 King Street West, 27th Floor, S7 – Caledonia Room, Toronto, Ontario, M5H 1J9, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice”). References in this information circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the “Board”) has fixed the close of business on May 14, 2018 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Company’s registrar and transfer agent, Capital Transfer Agency Inc. (“Capital Transfer”) at Suite 920, 390 Bay St., Toronto, Ontario M5H 2Y2, Fax: 416.350.5008, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

In this information circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of April 30, 2018.

Voting of Proxies

The common shares in the capital stock of the Company (“Common Shares”) represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of Capital Transfer at the address provided herein, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below under the heading “Matters to be Acted Upon”. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of the filing of this information circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Capital Transfer, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Capital Transfer, Suite 920, 390 Bay St., Toronto, Ontario M5H 2Y2;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Capital Transfer, Suite 920, 390 Bay St., Toronto, Ontario M5H 2Y2, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" or "beneficial" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies via mail or electronically, of the Notice, this information circular, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those voting instruction forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction forms to Broadridge or

otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting; or**

- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Capital Transfer at Suite 920, 390 Bay St., Toronto, Ontario M5H 2Y2, Fax Number: 416.350.5008.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Company is not sending Meeting Materials directly to the NOBOs and will use and pay intermediaries and agents to send the Meeting Materials to NOBOs. The Company does not intend to pay an Intermediary for sending the Meeting Materials or a voting instruction form to the OBOs, and OBOs will not receive Meeting Materials unless the OBOs Intermediary assumes the cost of delivery.

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

Other than as disclosed herein, no director or executive officer of the Company who has held such position at any time since the beginning of the Company's last financial year, or each proposed nominee for election as a director of the Company, or associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of 1,000,000,000 Common Shares with a par value of \$0.00001 per Common Share. As at the date hereof, there are 29,687,811 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at May 14, 2018 (the “**Record Date**”). All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company’s transfer agent, Capital Transfer, within the time specified in the Notice, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as listed in Table 1.

Table 1. List of shareholders that beneficially own, control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all outstanding Common Shares.

Name of Shareholder	Number of Common Shares⁽¹⁾⁽²⁾⁽³⁾	Percentage of Common Shares⁽¹⁾⁽²⁾
Keith Barron ⁽³⁾	16,242,873	54.7%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder listed above.
- (2) On a non-diluted basis.
- (3) 15,542,873 of the Common Shares noted above are held by Bambazonke Holdings Ltd., a company controlled by Dr. Keith Barron.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s Chief Executive Officer (“CEO”), President, Chief Financial Officer (“CFO”), and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Company whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the “NEOs” or “**Named Executive Officers**”), during the Company’s most recently complete financial year, being the financial year ended December 31, 2017 (the “**Last Financial Year**”). The NEOs of the Company during the Last Financial Year were Dr. Keith Barron, the Company’s CEO and Executive Chairman, Donna McLean, the Company’s CFO, Mr. Jean Paul Pallier, the Company’s Vice President – Exploration (“VPX”) and Dr. Richard Spencer, the Company’s President.

Compensation Committee

The compensation committee of the Board (“**Compensation Committee**”) is currently comprised of three directors, namely Elaine Ellingham (Chairperson), Marvin K. Kaiser and Gerald Harper, all of whom are independent within the meaning of Canadian Securities Administrator’s National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). The Compensation Committee was appointed by the Board to assist in fulfilling its corporate governance responsibilities under applicable laws, to promote a culture of integrity throughout the Company, to assist the Board in setting director and senior executive compensation, and to develop and submit to the Board recommendations with respect to other employee benefits as the Compensation Committee sees fit. In the performance of its duties, the Compensation Committee will be guided by the following principles: (i) establishing sound compensation practices that are in the interests of shareholders and that contribute to effective and efficient decision-making; (ii) offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Company to meet its goals; and (iii) acting in the best interests of the Company and its shareholders by being fiscally responsible.

All Compensation Committee members have direct or indirect experience that is relevant to their responsibilities in executive compensation, as outlined below. In their roles as members of the Compensation Committee and as

current or former senior executive officers, each member of the Compensation Committee has developed skills and experience in executive compensation issues which enable them as a group to make decisions on the suitability of the Company's compensation policies and practices.

Marvin Kaiser – Marvin Kaiser, has served as member of the Compensation Committee since 2010. His career in the natural resources industry began in 1969 with Ranchers Exploration and Development Corporation where he held various positions including Chief Financial Officer and Senior Vice President. In 1993 Mr. Kaiser joined The Doe Run Company as Chief Financial Officer. At the time of his retirement from Doe Run in 2006, he held the positions of Executive Vice President and Chief Administrative Officer. Following his retirement, Mr. Kaiser formed Whippoorwill Consulting, LLC, a consulting company that provides financial advisory services to the natural resources industry. Mr. Kaiser also served on the compensation committees of Brigus Gold Corporation prior to its acquisition by Primero Gold Corp. and Gryphon Gold Corporation ("Gryphon"), and continues to serve on the compensation committee of Westwater Resources Inc.

Elaine Ellingham – Elaine Ellingham, the Chair of the Compensation Committee, has held this position since May 26, 2017. She is an experienced mining executive and geologist with over 30 years of experience in the mining industry. She is a consultant having provided geological and corporate finance services to international clients. She also spent eight years with the Toronto Stock Exchange, from 1997 to 2005, in several capacities including National Leader of Mining. She served as director of Richmond Mines Inc. from 2010 to 2017 until Richmond was acquired by Alamos Gold Inc. From 2014 to 2016, she served as Chair of the Compensation Committee at Richmond and held the position of interim President and CEO from July through November 2014. She also served as an independent director of NewWest Gold Corporation where she was Chair of the Compensation Committee. She is currently a director and the Chair of the Compensation Committee of Wallbridge Mining Company Ltd. and serves as an independent director for Almaden Minerals Ltd.

Gerald Harper – Gerald Harper has served as a member of the Compensation Committee since 2010. He is a geoscientist and professional engineer with fifty years of world-wide, resource industry experience, having worked for several major mining companies, managing exploration activities, developing mines and managing operating mines. He is President of Gamah International Limited, a mineral industry consulting firm. He is a former director and member of the audit and compensation committee of NWM Mining Corp. and served as an independent director and compensation committee member of Mustang Minerals Corp.

The Compensation Committee's purpose is, among other things, to: (i) review and recommend to the Board the compensation plans, including the securities based compensation plans, long term incentive plans, and such other compensation plans or structures as are adopted by the Company from time to time; and (ii) establish and periodically review the Company's policies in the area of management benefits and perquisites. In performing its duties, the Compensation Committee has the authority to engage and compensate any outside advisors that it determines to be necessary to permit it to carry out its duties.

Compensation Process

The Board relies on the knowledge and experience of the members of the Compensation Committee to set appropriate levels of compensation for senior officers. Neither the Company nor the Compensation Committee has engaged any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation during the Company's two most recently completed financial years or since the Last Financial Year.

The Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Company's incentive stock option plan) and recommends the NEOs' compensation packages. The Compensation Committee's recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

Principles and Objectives of the Compensation Program

The primary goal of the Company's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Company's senior officers is determined with regard to the Company's business strategy and objectives and

financial resources, and with the view of aligning the financial interests of the senior officers with the financial interests of the Shareholders.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Company's senior officers are comprised of the elements listed in Table 2, which are linked to the Company's compensation and corporate objectives.

Table 2. Summary of elements of the standard compensation arrangements for the Company's senior officers and associated linked corporate objectives.

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary and/or Consulting Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options & RSUs	Motivate and Reward Align interests with shareholders	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

Performance and Compensation

The Company is an exploratory stage mining company and does not expect to be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Compensation Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of senior officers is based, in part, on trends in the mineral exploration industry as well as achievement of the Company's business plans. The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

Base Salaries and Consulting Fees

The Company provides senior officers with base salaries or consulting fees which represent their minimum compensation for services rendered or expected to be rendered. NEOs' base compensation depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, generally industry trends and practices competitiveness, and the Company's existing financial resources. Base salaries will be reviewed annually by the Compensation Committee.

On May 26, 2017, Richard M. Spencer was appointed as the Company's President. From that date onwards, the President's annual base fee is \$150,000 pursuant to a consulting agreement dated May 26, 2017. The Company's CFO, Donna McLean, is compensated with an annual base fee of \$75,000. From January 1, 2013 to July 31, 2017, Ms. McLean was compensated with an annual base fee of \$60,000. Jean Paul Pallier was appointed as the Company's Vice President, Exploration, ("VPX") on November 2, 2017, after having provided technical consulting services to the Company since 2009. The Company's VPX is contracted through the Company's Ecuadorian subsidiary, EcuaSolidus, SA. ("ESA"). The VPX's contract stipulates an annual fee of USD150,000.

Stock Options and RSUs

The grant of options and RSUs pursuant to the Company's stock option and RSU plans are an integral component of the compensation arrangements of the senior officers of the Company. The Board believes that the grant of options and RSUs to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Company's long-term strategic objectives, which benefits the Shareholders. Options and RSUs may be awarded to directors, officers, employees and consultants of the Company by the Board on the recommendation of the Compensation Committee. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards the Company's goals and objectives, and additionally may be awarded in recognition of the achievement of a goal or extraordinary service. The Board considers the overall number of options that are outstanding relative to the number of outstanding Common Shares

in determining whether to make any new grants of options and the size of such grants. Based on the foregoing factors, the Board granted 580,000 options and 124,500 RSUs during the Last Financial Year.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk-taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk-taking. The Company does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Company as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

Base salaries are fixed in amount and thus do not encourage risk-taking. While annual incentive awards focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company is focused on instilling a long-term view in its employees and consultants to encourage long-term value creation through the discovery of quality mineral deposits. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Company's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied into long-term stock price performance.

Table 3 provides information for the Last Financial Year and the years ended December 31, 2016 and 2015 regarding compensation earned by each of the following NEOs.

Table 3: Summary Compensation Table for NEOs.

Name and principal position	Year Ended Dec 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾⁽²⁾⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Keith Barron <i>Chairman and CEO</i>	2017	Nil	Nil	Nil	N/A	N/A	N/A	15,000	15,000
	2016	Nil	Nil	52,586	N/A	N/A	N/A	15,000	67,586
	2015	Nil	Nil	Nil	N/A	N/A	N/A	15,000	15,000
Richard Spencer (4) <i>President</i>	2017	90,000 ⁽⁴⁾	Nil	340,842	N/A	N/A	N/A	10,125 ⁽⁴⁾	440,967
	2016	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
Donna McLean (5) <i>CFO and Corporate Secretary</i>	2017	66,250 ⁽⁵⁾	Nil	56,400	N/A	N/A	N/A	25,000 ⁽⁵⁾	147,650
	2016	60,000	Nil	86,767	N/A	N/A	N/A	Nil	146,767
	2015	60,000	Nil	Nil	N/A	N/A	N/A	Nil	60,000

Jean Paul Pallier (6) <i>VP Exploration</i>	2017	Nil	Nil	80,070	N/A	N/A	N/A	170,667	250,737
	2016	Nil	Nil	Nil	N/A	N/A	N/A	43,115	43,115
	2015	Nil	Nil	Nil	N/A	N/A	N/A	49,187	49,187

Notes:

- (1) On July 13, 2016, the Company granted a total of 415,000 options to directors and officers, with an exercise price of \$0.60 and an expiry date of July 13, 2021 of which 100,000 options were granted to Dr. Barron and 165,000 options were granted to Ms. McLean. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 137%, a risk-free interest rate of 0.65% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$139,353.
- (2) On May 26, 2017, the Company granted a total of 150,000 options to Dr. Richard Spencer, with an exercise price of \$2.30 and an expiry date of May 26, 2022. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.65% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$256,242.
- (3) On November 02, 2017, the Company granted a total of 370,000 options to directors, officers and consultants, with an exercise price of \$2.00 and an expiry date of November 3, 2022 of which 60,000 options were granted to Dr. Spencer, 50,000 options were granted to Jean Paul Pallier and 40,000 to Ms. McLean. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 125%, a risk-free interest rate of 1.62% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$211,500.
- (4) Dr. Spencer has been the President of the Company since May 26, 2017. During the financial year the Company paid \$96,750 in consulting fees to a company controlled by Dr. Spencer. Included in the Fees is a charge of \$6,750 for technical services provided to the Company by the spouse of the President, who is a Spanish-speaking, geographic information systems geoscientist. Her scope of work, to analyze historical records and capture relevant geographic information in a geographic information system for the purpose of defining the location of historic sites within the Project area, was issued by the Company's CEO, and her invoice was reviewed and approved by the CEO. In addition, Dr. Spencer received \$3,375 in director's fees covering the period from March 6, 2017, the date on which he was appointed to the Board, to the date on which he was appointed as an officer of the Company.
- (5) Ms. McLean has been CFO of the Company since 2013, pursuant to an annual renewable consulting agreement. During the financial year, the Company paid base consulting fees of \$66,250 and a performance bonus of \$25,000 to a company controlled by Ms. McLean.
- (6) Mr. Pallier has been a consultant to the Company since 2009 and was appointed VPX on November 02, 2017. During the financial year, the Company paid base consulting fees of \$170,667 to a company controlled by Mr. Pallier.

Incentive Plan Awards to NEOs

Outstanding Share Awards and Option Awards

Table 4 provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2017.

Table 4. Summary of incentive plan awards for the Corporation's NEOs outstanding as of December 31, 2017.

Name	Option-based Awards				Share-based Awards	
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Keith Barron ⁽²⁾	700,000	\$0.40	April 11, 2018	\$1,414,000	N/A	N/A
	100,000	\$0.60	July 13, 2021	\$182,000	N/A	N/A
Richard Spencer ⁽³⁾	150,000	\$2.30	May 26, 2022	\$6,000	N/A	N/A
	60,000	\$2.00	November 2, 2022	\$25,200	N/A	N/A
Donna McLean	125,000	\$0.40	April 11, 2018	\$252,500	N/A	N/A
	165,000	\$0.60	July 13, 2021	\$300,300	N/A	N/A
	40,000	\$2.00	November 2, 2022	\$16,800	N/A	N/A
Jean Paul Pallier	350,000	\$0.40	April 11, 2018	\$707,000	N/A	N/A
	50,000	\$2.00	November 2, 2022	\$21,000	N/A	N/A

Note:

- (1) Aggregate dollar amount of in-the-money unexercised options held as at December 31, 2017. This figure is computed based on the difference between the market value of the Common Shares on the TSX-V as at December 31, 2017, and the exercise price of the option. The closing price of the Common Shares on the TSX-V as of December 31, 2017, was \$2.42
- (2) Dr. Barron was a director and a NEO of the Company during the financial year ended December 31, 2017. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs.
- (3) Dr. Spencer became a director on March 6, 2017 and a NEO of the Company commencing May 26, 2017. Any compensation received by Dr. Spencer in his capacity as a director of the Company during the financial year, is reflected in the Summary Compensation Table for NEOs.

Incentive Plan Awards – Value Vested or Earned During the Year

Table 5 provides information regarding the value vested or earned on incentive plan awards for each NEO during the year ended December 31, 2017.

Table 5. Summary of the value vested or earned on incentive plan awards for the Corporation's NEOs outstanding as of December 31, 2017.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith Barron ⁽¹⁾	53,333	Nil	Nil
Richard Spencer ⁽²⁾⁽³⁾	Nil	Nil	Nil
Donna McLean ⁽¹⁾⁽³⁾	88,000	Nil	Nil
Jean Paul Pallier	Nil	Nil	Nil

Note:

- (1) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on July 13, 2016, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. On July 13, 2017, the exercise price was \$0.60 and the closing price of the Common Shares on the TSX-V \$2.20
- (2) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on May 26, 2017, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price and the closing price of the Common Shares on the TSX-V on May 26, 2017 was \$2.38.
- (3) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on November 2, 2017, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$2.00 and the closing price of the Common Shares on the TSX-V on November 2, 2017 was \$1.90.
- (4) Dr. Barron was a director and CEO of the Company during the financial year ended December 31, 2017. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs above.
- (5) Dr. Spencer was appointed a director of the Company on March 6, 2017 and President of the Company on May 26, 2017. Any compensation received by Dr. Spencer in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs above.

Incentive Plan Awards – Value Vested or Earned During the Year

The outstanding options-based awards referenced above were issued pursuant to the Company's incentive stock option plan.

Pension Plan Benefits

As at the date of this Circular, the Company does not have any pension plan.

Termination and Change of Control Benefits

Employment Agreements

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Company in the event of the resignation, retirement or other termination of the NEO's employment with the Company, change of control of the Company or a change in the NEO's responsibilities following a change of control.

Keith Barron

Dr. Barron does not have termination or change of control benefits at this time.

Richard Spencer

If terminated, Dr. Spencer would have a three-month notice period, for which he would be paid a pro rata proportion for any time not worked during the notice period at the Company's request. He would also receive a lump-sum cash payment equal to three months of monthly retainer fee. In the event of termination due to a change of control, the term of Dr. Spencer's contract would be extended to the later of the end of his contract or two years from the date on which the change of control occurs. If Dr. Spencer's contract is terminated, or Dr. Spencer terminates the agreement for good reason, within the 12 months following a change of control, he will be entitled to a payment of \$300,000, 50% of which would be due on the date of termination and the remainder within six months following the initial termination payment. In addition, any unvested options will vest immediately and will remain exercisable for 90 days following the date of termination.

Donna McLean

If terminated, Ms. McLean is entitled to receive a lump-sum cash payment equal to three months of monthly retainer fees.

Jean Paul Pallier

In the event that Mr. Pallier's contract is terminated without cause, or he is constructively dismissed, on or before January 1st, 2021, he is entitled to receive six months' salary plus an additional 25% of his monthly salary for each year, or fraction of a year, worked for ESA. In the event ESA terminates Mr. Pallier's contract without cause, or he is constructively dismissed, after January 1st, 2021, ESA will pay Mr. Pallier 125% of one-month's salary for each year or fraction of a year worked for ESA.

Director Compensation

The Board determines the level of compensation for directors based on recommendations from the Compensation Committee. The Board reviews directors' compensation as needed, considering time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

Effective April 11, 2013, the Board adopted a cash compensation program for its directors with respect to general directors' duties, meeting attendance or for additional service on Board committees. Directors are entitled to receive annual compensation of \$15,000. Further, directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company.

Directors may receive stock option and RSU grants as determined by the Board pursuant to the Company's incentive stock option plan. The exercise price of options is determined by the Board, but shall in no event be less than the market price of the Common Shares at the time of the grant of the options, less any permissible discounts pursuant to the Company's incentive stock option plan and the policies of the TSX-V.

Director Compensation Table

Table 6 sets out the total compensation paid to each of the Company's directors (who are not NEOs) during the Last Financial Year.

Table 6. Summary of the total compensation paid to each of the Company's directors who are not NEOs in the year ending December 31, 2017.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Elaine Ellingham	15,000	Nil	42,300	Nil	Nil	Nil	57,300
Gerald Harper	15,000	Nil	42,300	Nil	Nil	Nil	57,300
Marvin K. Kaiser	15,000	Nil	42,300	Nil	Nil	Nil	57,300

Notes

- ⁽¹⁾ On November 02, 2017, the Company granted a total of 370,000 stock options to directors, officers and consultants, with an exercise price of \$2.00 and expiry date of November 2, 2022, of which 30,000 options were granted to Ms. Ellingham, 30,000 to Mr. Harper and 30,000 to Mr. Kaiser. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 125%, a risk-free interest rate of 1.62% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$126,900.

Incentive Plan Awards to Directors

Outstanding Share Awards and Option Awards

Table 7 provides information regarding the incentive plan awards for each director outstanding as of December 31, 2017.

Table 7. Summary of incentive plan awards for each director as of December 31, 2017.

Name ⁽¹⁾	Option-based Awards				Share-based Awards	
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Elaine Ellingham	175,000	0.40	April 11, 2018	353,500	N/A	N/A
	50,000	0.60	July 13, 2021	91,000	N/A	N/A
	30,000	2.00	November 03, 2022	12,600	N/A	N/A
Gerald Harper	175,000	0.40	April 11, 2018	353,500	N/A	N/A
	50,000	0.60	July 13, 2021	91,000	N/A	N/A
	30,000	2.00	November 03, 2022	12,600	N/A	N/A
Marvin Kaiser	100,000	0.40	April 11, 2018	202,000	N/A	N/A
	50,000	0.60	July 13, 2021	91,000	N/A	N/A
	30,000	2.00	November 03, 2022	12,600	N/A	N/A

Notes:

(1) Aggregate dollar amount of in-the-money unexercised vested options held as at December 31, 2017. This figure is computed based on the difference between the market value of the Common Shares on the TSX-V as at December 31, 2017, and the exercise price of the option. The closing price of the Common Shares on the TSX-V on December 31, 2017, was \$2.42.

Incentive Plan Awards – Value Vested or Earned During the Year

Table 8 provides information regarding the value vested or earned on incentive plan awards for each director during the year ended December 31, 2017.

Table 8. Summary of the value vested or earned on incentive plan awards for directors of the Corporation during the year ended December 31, 2017.

Name	Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Elaine Ellingham	26,667	Nil	Nil
Gerald Harper	26,667	Nil	Nil
Marvin K. Kaiser	26,667	Nil	Nil

Notes:

(1) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on July 13, 2016, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$0.60 and the closing price of the Common Shares on the TSX-V on July 13, 2017, was \$2.20.

(2) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on November 2, 2017, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$2.00, and the closing price of the Common Shares on the TSX-V on November 2, 2017 was \$1.90.

Incentive Plan Awards – Value Vested or Earned During the Year

The outstanding options-based awards referenced above were issued pursuant to the Company's incentive stock option plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

The Company adopted an incentive stock option plan dated February 15, 2011 (the “**Plan**”). On November 15, 2017 the Plan was amended to address housekeeping issues pursuant to Section 7.1(d) of the Plan. The amended Plan is attached to this Circular as Schedule “A”. As of the date of this Circular, the Company has 1,515,000 options outstanding to purchase Common Shares.

The Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance there under. The purpose of the Plan is to advance the interests of the Company by (i) providing certain employees, officers, directors, management company employees or consultants of the Company (collectively, the “**Optionees**”) with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Company; (iv) encouraging the Optionees to remain with the Company; and (v) attracting new employees, officers, directors and consultants to the Company.

The following information is intended to be a brief description and summary of the material features of the Plan.

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under the Plan at any given time shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) or such other number as may be approved by the Exchange, from time to time. Any Common Shares subject to an option which has been granted under the Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised, will again be available under the Plan.
- (b) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the TSX-V, the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.
- (c) The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company at any given time, or within a 12-month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested Shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person or entity within any 12-month period shall not exceed 5% of the total number of Common Shares then outstanding unless disinterested Shareholder approval is obtained.
- (d) The Board may determine when any option will become exercisable and may determine that the option will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule. However, unless the Board determines otherwise, options issued pursuant to the Plan will vest immediately on the date of grant.
- (e) In the event an Optionee ceases to be eligible for the grant of options under the Plan, options previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the Plan, or for a longer period as determined by the Board, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the date such person ceases to be eligible under the Plan.

- (f) In the event of a Change of Control (as defined in the Plan), all options granted to Optionees shall be immediately exercisable subject to Section 9.1 of the Plan.

Restricted Stock Unit Plan

The RSU Plan is available to Directors, Employees and Consultants which are collectively referred to in the RSU Plan as Service Providers of the Company, as determined by the Board (the “**Eligible Grantees**”). As of the date of this Circular, the Company has granted 124,500 RSUs to Eligible Grantees.

The following information is intended to be a brief description and summary of the material features of the RSU Plan.

- (a) The number of Common Shares issued or to be issued under the RSU Plan and all other security-based compensation arrangements, at any time, shall not exceed 20% of the total number of the issued and outstanding Common Shares of the Company.
- (b) The total number of Common Shares issuable to insiders under the RSU Plan, at any time, together with any other security-based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares of the Company.
- (c) The total number of Common Shares issuable to insiders within any one-year period under the RSU Plan shall not exceed 10% of the issued and outstanding Common Shares of the Company.
- (d) The total number of Common Shares issuable to any person within any one-year period under the RSU Plan shall not exceed 1% percent of the issued and outstanding Common Shares of the Company.
- (e) The total number of Common Shares issuable to all persons within any one-year period under the RSU Plan shall not exceed 2% percent of the issued and outstanding Common Shares of the Company.
- (f) Neither awards nor any rights under any such awards shall be assignable or transferable. If any Common Shares covered by an award are forfeited, or if an award terminates without delivery of any Common Shares subject thereto, then the number of Common Shares counted against the aggregate number of Common Shares available under the RSU Plan with respect to such award shall, to the extent of any such forfeiture or termination, again be available for making awards under the RSU Plan. The RSU Plan shall terminate automatically after ten years and may be terminated on any earlier date or extended by the Board.

The Board may at any time, in its sole discretion and without the approval of shareholders, amend, suspend, terminate or discontinue the RSU Plan and may amend the terms and conditions of any awards thereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) approval of shareholders of the Company, provided that shareholder approval shall not be required for the following amendments and the Board may make changes which may include but are not limited to: (i) amendments of a 'housekeeping nature'; (ii) changes to vesting provisions; (iii) changes to the term of the RSU Plan or awards made under the RSU Plan; or (iv) changes to performance criteria term. The Board may amend, modify, or supplement the terms of any outstanding award.

Restricted Stock Units

The RSU Plan provides that the Board of the Company may, from time to time, in its sole discretion, grant awards of RSUs to Eligible Grantees. Each RSU shall represent one common share of the Company. The Board may, in its sole discretion, establish a period of time (a “**Vesting period**”) applicable to such RSUs. Each award of RSUs may be subject to a different Vesting period. The Board may, in its sole discretion, prescribe restrictions in addition to or other than the expiration of the Vesting period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the RSUs. The performance criteria will be established by the Board in its sole discretion. The Board may, in its sole discretion, revise the performance

criteria. Notwithstanding the foregoing, (i) RSUs that vest solely by the passage of time shall not vest in full in less than three (3) years from the grant date; (ii) RSUs for which vesting may be accelerated by achieving performance targets shall not vest in full in less than one (1) year from the grant date; and (iii) RSUs granted to outside directors vest, (a) at the election of an outside director at the time the award is granted, within a minimum of one (1) year to a maximum of three (3) years following the grant date, as such outside director may elect, and (b) if no election is made, upon the earlier of a Change of Control (as such term is defined in the RSU Plan) or his or her resignation from the Board.

Restrictions on any RSUs shall lapse immediately and become fully vested in the grantee upon a Change of Control. If a grantee's employment is terminated with cause, the Company may, within 30 days, annul an award if the grantee is an employee of the Company or an affiliate thereof. If a grantee's employment is terminated with or without cause, unless the Board otherwise provides in an award agreement or in writing after the award agreement is issued, any RSUs that have not vested and will not vest within 30 days from the date of termination, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon the death of a grantee, any RSUs granted to said grantee which, prior to the grantee's death, have not vested, will immediately vest and the grantee's estate shall be entitled to receive payment in accordance with the terms of the RSU Plan.

Equity Compensation Plan Information

Table 9 provides details of the equity securities of the Company authorized for issuance as of December 31, 2017, pursuant to the Company's equity compensation plan currently in place.

Table 9. List of the equity securities of the Company authorized for issuance as of December 31, 2017, pursuant to the Company's equity compensation plans currently in place.

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))⁽¹⁾
Equity compensation plans approved by securityholders	2,695,000	\$0.80	43,562
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,695,000⁽²⁾		43,562

Notes:

(1) As at December 31, 2017, a total of 2,738,562 stock options are issuable pursuant to the Plan, representing 10% of the issued and outstanding Common Shares and a total of 2,738,562 RSUs are issuable pursuant to the RSU Plan, representing, in aggregate, 20% of the issued and outstanding Common Shares as at the date hereof. As at December 31, 2017, 124,500 RSUs had been granted to Eligible Grantees, representing 0.45% of the issued and outstanding Common Shares of the Company. As at December 31, 2017 a total of 2,614,062 RSUs remain available for future issuance.

(2) Representing approximately 9.8% of the issued and outstanding Common Shares as at December 31, 2017.

MATTERS TO BE ACTED UPON

1. Appointment of Auditors

UHY McGovern Hurley LLP, Chartered Accountants ("McGovern Hurley"), are the independent registered certified auditors of the Company. McGovern Hurley was first appointed as auditors of the Company on December 21, 2010.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying

proxy will vote FOR the appointment of McGovern Hurley as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.

2. Election of Directors

At the Meeting, the following six (6) persons named hereunder will be proposed for election as directors of the Company. Management 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, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Majority Voting for Directors

The Board has adopted a policy requiring that in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” will tender a resignation to the Chairman of the Board promptly following the Meeting. The Nominating and Corporate Governance Committee of the Board will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. The nominee will not participate in any Nominating and Corporate Governance Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

Nominees

Table 10 sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Company, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Company beneficially owned, controlled or directed, directly or indirectly, by them.

Shareholders have the option to (i) vote for all the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Company.**

Table 10. Details of the persons proposed to be nominated for election as directors of the Corporation.

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised⁽¹⁾
Keith Barron ⁽⁵⁾ <i>Valais, Switzerland</i>	July 2, 2007	Geologist, Executive Chairman and CEO of the Company.	16,242,873
Elaine Ellingham ⁽²⁾⁽³⁾⁽⁴⁾ <i>Ontario, Canada</i>	October 30, 2008	Corporate Director; Geologist (P.Geo.); Mining Executive; Consultant.	1,143,500
Gerald Harper ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Ontario, Canada</i>	October 30, 2008	Geoscientist and Engineer; Corporate Director, President of Gamah International Ltd. since June 1991; President and CEO of MinFocus Exploration Corp. from January 2012 to January 2018.	224,450
Marvin Kaiser ⁽²⁾⁽³⁾⁽⁴⁾ <i>Kentucky, United States</i>	October 30, 2008	Accountant; President of Whippoorwill Consulting, LLC. since May 2006.	104,900
Alfred Lenarciak <i>Bahamas</i>	Nominee	Author, Book Ventures, USA- published 6 books, since 2014; Real estate developer - Borgo Ferri, Italy, since 2010; Investor.	5,000
Richard Spencer ⁽⁵⁾ <i>Ontario, Canada</i>	March 6, 2017	Geologist; President Aurania Resources since May 26, 2017; President and CEO of U3O8 Corp. since January 2008; Director of Firestone Ventures Inc. since November 2017.	5,000

Notes:

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Marvin Kaiser is the Chairperson.
- (3) Member of the Compensation Committee. Elaine Ellingham is the Chairperson.
- (4) Member of the Nominating and Corporate Governance Committee. Marvin Kaiser is the Chairperson.
- (5) Member of the Technical and Corporate Responsibility Committee. Keith Barron is the Chairperson.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 17,653,223 Common Shares, representing approximately 60% of the issued and outstanding Common Shares as of the date hereof.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in Table 10 is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) 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 while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) 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 such individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no individual set forth in Table 10 (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while such individual 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.

Mr. Kaiser was a director of Constellation Copper Corporation which filed an assignment for bankruptcy in December 2008 under the *Bankruptcy and Insolvency Act* (Canada).

On July 29, 2013, Gryphon filed a voluntary petition in the United States Bankruptcy Court for the District of Nevada seeking relief under the provisions of Chapter 11 of Title 11 of the United States Bankruptcy Code. Also, on July 22, 2013, Gryphon was served with a civil complaint to appoint a receiver. The complaint was filed in the Second Judicial District Court for the State of Nevada in Reno by certain shareholders of Gryphon. On July 24, 2013 Gryphon was served with a notice of hearing for July 30, 2013 in connection with the civil complaint. Mr. Kaiser served as a director of Gryphon from November 18, 2008, to December 24, 2013.

No individual as set forth in Table 10 (or any personal holding company of any such individual) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

No individual set forth in Table 10 (or any personal holding company of any such individual) 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 investor in making an investment decision.

3. Approval of Share-based Compensation Option Plan

The TSX-V requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to ratify and approve the Plan that was originally adopted by the Company on February 15, 2011.

The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents 2,968,781 Common Shares available under the Plan.

Outstanding options to purchase a total of 1,515,000 Common Shares have been issued to directors, officers, employees and consultants of the Company and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 1,453,781. For a brief description of the Plan, please see: “*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*”.

The full text of the Plan will be supplied free of charge to Shareholders upon written request made directly to the Company at its registered head office located at Suite 1050, 36 Toronto Street, Toronto, Ontario M5C 2C5, Attention: Chief Executive Officer.

Shareholder Approval for the Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the Plan (the “**Stock Option Plan Resolution**”), which, to be effective, must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Stock Option Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the Stock Option Plan Resolution.

4. Approval of RSU Compensation Plan

The purpose of the RSU Plan is to (i) encourage the attraction and retention of officers, directors, employees, consultants and other persons to serve the Company and its subsidiaries; and (ii) encourage such persons to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct interest in the operations and future success of the Company. To this end, the RSU Plan provides for the grant of restricted stock units (“**RSU**”). Any of these awards of RSUs may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals.

The TSX-V requires all listed companies with an RSU Plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to ratify and approve the RSU Plan that was originally adopted by the Company on May 26, 2017.

The RSU Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, Restricted Stock Units. The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents 2,968,781 Common Shares available under the RSU Plan. The current policy for RSU’s provide that the RSUs will vest as follows: one third on the first anniversary of the grant date of the RSU, another one third on the second anniversary of the grant date of the RSU and the final one third on the third anniversary of the grant date of the RSU.

A total of 124,500 RSUs have been issued to employees and consultants of the Company and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 2,844,251. For a brief description of the RSU Plan, please see: “*Securities Authorized for Issuance under Equity Compensation Plans – Restricted Stock Unit Plan*”.

The full text of the RSU Plan will be supplied free of charge to Shareholders upon written request made directly to the Company at its registered head office located at Suite 1050, 36 Toronto St., Toronto, Ontario M5C 2C5. Attention: Chief Executive Officer.

Shareholder Approval for the Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the Plan (the “**RSU Plan Resolution**”), which, to be effective, must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

The Board recommends that Shareholders vote FOR the RSU Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the RSU Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the RSU Plan Resolution.

5. Approval of Amendment to Bye-Laws

On May 4, 2018, the Board approved and adopted an amendment to the Bye-Laws of the Company (the “**Amended Bye-Laws**”). The amendment is part of the preparations being undertaken by the Company to bring it in line with public companies regulated in Canada. The adoption of the Amended Bye-Laws, in substitution for the existing Bye-Laws of the Corporation, must be approved by the Shareholders at the Meeting to continue to have effect after the Meeting.

At the Meeting, Shareholders will be asked to pass the following ordinary resolution approving and confirming the adoption of the Amended Bye-Laws, subject to such amendments, variations or additions as may be approved at the Meeting:

“BE IT RESOLVED THAT:

1. The following amendment to the Bye-Laws of the Company and the adoption thereof is hereby approved and confirmed:

Each of Sections 60 and 61 of the Bye-Laws of the Corporation is rescinded in their entirety and substituted with the following new Bye-Law Sections 60 and 61:

- “60. (a) Subject to Bye-Law 60(c) below, the number of Directors of the Company shall not be less than three (3) and not more than fifteen (15), as the Company in general meeting may from time to time determine.
 - (b) No share qualification shall be required of any Director of the Company.
 - (c) The Board may approve an increase in the number of Directors of the Company, provided that such increase may not exceed the maximum number of Directors provided for in Bye-Law 60(a) and may not increase the number of Directors to a total number greater than one and one-third times the number of Directors elected by the Members at the last annual general meeting.
61. (a) Subject to Bye-Law 61(b), the Directors shall be elected by the Members of the Company in the first place at the statutory meeting of the Company and annually thereafter. The Board may fill any vacancy in their number left unfilled at a general meeting.
- (b) If the Board approves an increase in the number of Directors of the Company in accordance with Bye-Law 60(c), the Board may appoint such number of persons to act as additional Directors until the next annual general meeting of the Company to constitute the number of Directors that would be permitted by such increase.”

If approval is not obtained at the Meeting, the existing Bye-Laws of the Corporation will remain effective. The Board unanimously recommends that Shareholders vote FOR the foregoing resolution. To be effective, the resolution must be approved by not less than a majority of the votes cast at the Meeting.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the approval and confirmation of the Amended Bye-Laws.

6. Other Matters

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over Management by ensuring that the majority of its non-executive directors are independent.

The Board is currently comprised of five (5) directors being Keith Barron, Elaine Ellingham, Gerald Harper, Marvin Kaiser and Richard Spencer. Messrs. Harper, Kaiser and Ms. Ellingham, are independent within the meaning of NI 58-101. Drs. Barron and Spencer are not independent as they are executive officers of the Company and thereby have a “material relationship” with the Company.

The Board believes that it functions independently of Management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of Management. The Board meets without Management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. Considering the guidelines contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of Management are not in attendance.

Other Public Company Directorships

The following members of the Board currently hold directorships in other reporting issuers as set forth in Table 14.

Table 11. Summary of other Directorships held by the Corporation’s Board.

Name of Director	Name of Reporting Issuer	Market
Keith Barron	U3O8 Corp. Firestone Ventures Inc.	TSX TSX-V
Elaine Ellingham	Almaden Minerals Ltd. Wallbridge Mining Company Limited	TSX, NYSE TSX
Gerald Harper	N/A	N/A
Marvin Kaiser	Westwater Resources Inc.	NASDAQ
Richard Spencer	U3O8 Corp. Firestone Ventures Inc.	TSX TSX-V

Orientation and Continuing Education of Board Members

New directors receive an orientation on the role of the Board, its committees, and the nature and operation of the Company’s business, which consists of the following:

- an orientation session with senior officers to receive an overview the Company’s business and affairs;
- an orientation session with the Chairperson of each standing committee; and
- an orientation session with legal counsel and the representatives of the Company’s auditors.

Continuing education is provided to directors through provision of literature regarding current developments and annual seminars on corporate governance developments. The Chief Executive Officer of the Company takes primary responsibility for the orientation and continuing education of directors and officers.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics to encourage and promote a culture of ethical business conduct amongst the directors, officers, employees and consultants of the Company. Copies of the Company's code of conduct are available upon written request from the CEO or CFO of the Company. The Nominating and Corporate Governance Committee (the "**Nominating Committee**") is responsible for ensuring compliance with the Company's code of conduct. There have been no departures from the Company's code of conduct since its adoption.

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Company's annual business plan and budget;
- major acquisitions or dispositions by the Company; and
- transactions which are outside of the Company's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

The Company believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Company's directors, officers and employees.

Nomination of Directors

The Nominating Committee of the Board holds the responsibility for the appointment and assessment of directors.

The Nominating Committee seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When considering candidates for director, the Nominating Committee takes into account a number of factors including, but not limited to, the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the countries and/or communities in which the Company does business and in the Company's industry sectors or other industries relevant to the Company's business; and
- the ability and willingness to commit adequate time to Board and committee matters and be responsive to the needs of the Company.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Nominating Committee will consider various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current directors or management, shareholders or other persons. These candidates will be evaluated at regular or special meeting of the Nominating Committee and may be considered at any point during the year.

The Nominating Committee considers candidates for directors by annual review of the credentials of nominees for re-election to be named in the management's proxy's materials. The annual review considers an evaluation of the effectiveness of the Board and the performance of each director, the continuing validity of the credentials underlying the appointment of each director and the continuing compliance with the eligibility rules under applicable conflict of interest guidelines.

The Nominating Committee, whenever considered appropriate, may direct the Chairman of the Board to advise each nominee director, prior to appointment to the Board, of the credentials underlying the recommendation of such nominee director's candidacy. The Nominating Committee may recommend to the Board at the annual meeting of the Board, the allocation of Board members to each of the Board committees, and where a vacancy occurs at any time in the membership of any Board committee, the Nominating Committee may recommend to the Board a member to fill such vacancy. The Nominating Committee has the sole authority to retain and terminate any search firm to be used to identify nominee director candidates, including the sole authority to approve fees and other terms of such retention. The Nominating Committee monitors on a continuing basis and, whenever considered appropriate, makes recommendations to the Board concerning the corporate governance of the Company.

Compensation

The Compensation Committee of the Board reviews the compensation of the directors and senior officers. The Compensation Committee reviews and makes recommendations to the Board regarding the granting of stock options to directors and senior officers, compensation for senior officers, and compensation for senior officers' and directors' fees, if any, from time to time. Senior officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company.

The form and amount of cash compensation will be evaluated by the Compensation Committee, which will be guided by the following goals:

- compensation should be commensurate with the time spent by senior officers and directors in meeting their obligations and reflective of the compensation paid by companies similar to the Company in size, business and stage of development; and
- the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

Technical and Corporate Responsibility

The Corporation's core values include respect, integrity and a commitment to the protection of life, health and the environment for present and future generations. The main purpose of the Technical and Corporate Responsibility ("TCR") Committee is to review, monitor and make recommendations to the Board of Directors in respect of the technical, health and safety, environmental, community, business conduct, risk management, human rights policies and activities of the Corporation in order to verify that such policies and activities reflect, and are in accordance with, the Corporation's core values.

Additionally, the TCR Committee will assist the Board in carrying out its responsibilities with respect to overseeing the exploration and operating activities of the Corporation with respect to the Lost Cities – Cutucu Project, from a technical, financial, budgeting and scheduling perspective.

The TCR Committee may review or investigate any activities of the Corporation relating to technical, health and safety, environmental, community relations, business conduct and human rights and will have unrestricted access to any officers and employees of the Corporation, independent consultants and advisors at reasonable costs, and such information and resources as the Committee considers necessary in order to perform its duties and responsibilities.

The areas of responsibility of the TCR Committee include:

- **Operations Oversight**: in carrying out its responsibility to assist the Board in overseeing the exploration and operational activities of the Corporation from a technical, financial and scheduling perspective, the Committee will meet regularly with Management, in person or by telephone, to review and monitor progress and report its findings to the Board;
- **Corporate Social Responsibility**: The Corporation is committed to the respect of communities directly impacted by its activities, and to the overall health and safety of its stakeholders, its employees and their families. The Corporation believes that a safe and healthy workplace is a moral imperative reflecting the Corporation's respect for the individual. The Corporation is committed to the protection of the environment through the responsible stewardship of its properties. Protection of the environment is essential to the health

of the communities and resources upon which the Corporation relies, and is beneficial to, the Corporation and its stakeholders.

- **Health and Safety:** The TCR committee's responsibilities with respect to safety and health matters shall include reviewing and making recommendations, as appropriate, regarding the Corporation's safety and health program, including corporate occupational health and safety policies and procedures. It shall also satisfy itself that Management of the Corporation monitors trends and reviews current and emerging issues in the safety and health field and evaluates their potential impact on the Corporation.
- **Environment:** The TCR Committee's responsibilities with respect to environmental matters shall include reviewing and making recommendations, as appropriate, regarding the Corporation's environmental management program, including corporate environmental policies and procedures. It shall also satisfy itself that Management of the Corporation monitors trends and reviews current and emerging issues in the environmental field and evaluates their potential impact on the Corporation.
- **Community:** The TCR Committee's responsibilities with respect to community responsibility matters will include recommending actions for developing social policies, programs, procedures and activities in communities where the Corporation conducts its business to ensure that the principles set out in such policies are being adhered to and achieved and to integrate such activities with, and participate in, local communities as good corporate citizens. The TCR Committee will also receive reports from Management on the social responsibility programs, including diversity, social inclusion, community relations, sustainable development and security policies and procedures. It shall recommend actions to ensure meaningful and transparent engagement and communications with all stakeholders and seek to build mutually beneficial relationships with the communities that are impacted by the Corporation's activities. It shall monitor the Corporation's contribution to social development and a culture of continuous improvement in its workforce. The TCR Committee shall ensure that Management is monitoring trends and reviewing current and emerging issues in the corporate social responsibility field and evaluating their potential impact on the Corporation. It shall review reports from Management on the Corporation's corporate social responsibility performance to assess the effectiveness of the program and to evaluate recommended changes that may improve effectiveness.

Other Board Committees

The Board has also established a Disclosure Committee. The Disclosure Committee will meet as conditions dictate and is kept fully apprised of all pending material developments of the Company in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information.

Assessments

The Board does not consider formal assessments useful given the stage of the Company's business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his or her contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Nominating Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

The directors of the Company have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Schedule "B" to this Circular.

Composition of the Audit Committee

The members of the Audit Committee are Marvin K. Kaiser (Chairman), Gerald Harper and Elaine Ellingham (Table 15). All the members of the Audit Committee are independent (as defined in National Instrument 52-110 – *Audit Committees* (“NI 52-110”) adopted by the Canadian Securities Administrators).

Table 12. Details of members of the Corporation’s Audit Committee.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Marvin Kaiser (Chair)	Yes	Yes
Gerald Harper	Yes	Yes
Elaine Ellingham	Yes	Yes

Notes:

(1)	To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the board of directors of the Company, be reasonably expected to interfere with the exercise of a member’s independent judgment.
(2)	To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Relevant Education and Experience

Marvin Kaiser – Marvin Kaiser has been the President of Whippoorwill Consulting, LLC since 2006 and prior to that, he acted as the Executive Vice President and Chief Administrative Officer of The Doe Run Company. Mr. Kaiser earned his BSc degree from Southern Illinois University (1963) and is a Certified Public Accountant.

Gerald Harper – Gerald Harper has been the President of Gamah International Ltd since 1991 and acted as the Vice President of Western Prospector Group Ltd. from 2005 to 2009. Dr. Harper earned his BSc degree (1965) and PhD (1970) in Geology from the University of London.

Elaine Ellingham – Elaine Ellingham has been the President of Ellingham Consulting Ltd since January 2006 and also acted as President and CEO of the Company from 2011 to 2012. Prior to that, she held various positions with the Toronto Stock Exchange between 1997 and 2005 where her role included financial due diligence on companies applying to list on the exchange. Between 2010 and 2017 Ms. Ellingham served on the Board of Richmond Mines Inc., being a member of the Audit Committee for several years, and held the position of Interim President and CEO in 2014. She was Chairman of Williams Creek Gold Limited until its acquisition in September 2016, and she was a member of the Audit Committee. Ms. Ellingham earned her BSc (Geology) (1980), MSc (Geology) (1985) and MBA (1994) from the University of Toronto.

Audit Committee Oversight

At no time during the Last Financial Year have any recommendations by the Audit Committee, respecting the appointment and/or compensation of the external auditors of the Company, not been adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

External Auditor Services Fees (By Category)

Table 16 discloses the fees billed to the Company by its external auditor during the last two completed financial years.

Table 13. Summary of fees billed to the Company by its external auditor in the years ending December 31, 2017 and December 31, 2016.

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2017	\$23,500	Nil	\$1,200	Nil
December 31, 2016	\$12,780	Nil	\$1,200	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered in respect of the Company's annual financial statements, and interim proof reading of the Company's quarterly financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Company other than those listed in the other columns.

Exemption

Since the Company is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended December 31, 2017, no director, executive officer or associate of any director or executive officer of the Company was indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Company and management are not aware of any material interest, direct or indirect, of any informed person of the Company, or any associate or affiliate of any informed person or nominee, in any transaction or any proposed transaction since the commencement of the Company's most recently completed financial year which has materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Inquiries including requests for copies of this information circular, the Financial Statements and MD&A for the year ended December 31, 2017 may be directed to the Company's transfer agent toll-free by telephone at 1.844.499.4482. Additional financial information is provided in the Financial Statements and MD&A for the year ended December 31, 2017 which is also available on SEDAR and the Company's website at www.aurania.com.

APPROVAL

The contents of this information circular and the sending thereof to the Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Keith Barron"

Keith Barron
Chief Executive Officer, Executive Chairman and Director

SCHEDULE “A”
STOCK OPTION PLAN

[As amended November 15, 2017]

1. **Purpose of Plan**

- 1.1 The purpose of the Plan is to attract, retain and motivate Eligible Persons and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. **Defined Terms**

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 “**Black-Out Period**” means a time when pursuant to any policies of the Corporation that securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- 2.2 “**Board**” means the board of directors of the Corporation or, if established and duly authorized to act, the Compensation Committee or another committee appointed for such purpose by the board of directors of the Corporation;
- 2.3 “**Business Day**” means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;
- 2.4 “**Consultant**” means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or any Subsidiary has a contract for substantial services;
- 2.5 “**Corporation**” means Aurania Resources Ltd. and includes any successor corporation thereto and any subsidiary thereof;
- 2.6 “**Eligible Person**” means any director, officer, employee (part-time or full-time), service provider, Consultant or Management Company Employee/Consultant of the Corporation or any Subsidiary;
- 2.7 “**Exchange**” means the TSX Venture Exchange and, where the context permits, any other exchange on which the Shares are or may be listed from time to time;
- 2.8 “**Insider**” means a “reporting insider” as defined in National Instrument 55-104 - *Insider Reporting Requirements and Exemptions* (NI 55-104) as adopted by the Canadian Securities Administrators;
- 2.9 “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation
 - (i) to promote the sale of products or services of the Corporation, or
 - (ii) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

- (b) activities or communications necessary to comply with the requirements of
 - (i) applicable securities laws, policies or regulations,
 - (ii) the rules, and regulations of the Exchange or the bylaws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) the activities or communications that may be otherwise specified by the Exchange;

2.10 “**Issuer**” means Aurania Resources Ltd.

2.11 “**Listed Share**” means a share or other security that is listed on the Exchange.

2.12 “**Management Company Employee/Consultant**” means an individual employed/retained by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.

2.13 “**Market Price**” means the last closing price of the Corporation’s Listed Shares before either the issuance of the news release or the filing of the Price Reservation Form (Form 4A) required to fix the price at which the securities are to be issued or deemed to be issued (the “Notice of the Transaction”), except under the following circumstances, where applicable:

- (a) “*Consolidation Exception*” The Market Price is to be adjusted for any share consolidation or split. If the notice of the transaction is within 5 days following a consolidation of the Issuer’s share capital, the minimum price per share will be the greater of the Market Price, adjusted for any share consolidation or split, or \$0.05 for shares and \$0.10 for the exercise price of Warrants and incentive stock options;
- (b) “*Material Information Exception*” If the Corporation announces Material Information regarding the affairs of the Issuer after providing notice of the transaction and if the Exchange determines that a party to the transaction should reasonably have been aware of that pending Material Information, then the Market Price will be at least equal to the closing price of the Listed Shares on the Trading Day after the day on which that Material Information was announced;
- (c) “*Price Interference Exception*” If the Exchange determines that the closing price is not a fair reflection of the market for the Listed Shares and the Listed Shares appear to have been high-closed or low-closed, then the Exchange will determine the Market Price to be used;
- (d) “*Suspension Exception*” If the Issuer is suspended from trading or has for any reason not traded for an extended period of time, the Exchange may determine the deemed Market Price to be used; and
- (e) “*Minimum Price Exception*” The Exchange will not generally permit Listed Shares to be issued from treasury at a price less than \$0.05 nor will the Exchange generally permit any securities convertible

into Listed Shares including incentive stock options and Warrants to be issued with an effective conversion price of less than \$0.10 per Listed Share.

- 2.14 “**Option**” means an option to purchase Shares granted under the Plan;
- 2.15 “**Option Price**” means the price per Share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 9;
- 2.16 “**Optionee**” means an Eligible Person to whom an Option has been granted;
- 2.17 “**Person**” means an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Securities Act* (Ontario);
- 2.18 “**Plan**” means Aurania Resources Ltd. Stock Option Plan 2012, as the same may be amended or varied from time to time;
- 2.19 “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- 2.20 “**Shares**” means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 9, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- 2.21 “**Subsidiary**” means any corporation which is a subsidiary as such term is defined in the *Securities Act* (Ontario) (as such provision is from time to time amended, varied or re-enacted) of the Corporation.

3. Administration of the Plan

- 3.1 The Plan shall be administered by the Board in accordance with the rules and policies of the Exchange in respect of employee stock option plans. The Board shall receive recommendations of management and shall determine and designate from time to time those Eligible Persons to whom an Option should be granted and the number of Shares, which will be optioned from time to time to any Eligible Person and the terms and conditions of the grant.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
 - (a) to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and make all other determinations necessary or advisable for its administration;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
 - (c) to determine which Eligible Persons are granted Options and to grant Options;
 - (d) to determine the number of Shares covered by each Option;
 - (e) to determine the Option Price;

- (f) to determine the time or times when Options will be granted and exercisable;
- (g) to determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options which initially shall be substantially in the form annexed hereto as Schedule "A".

4. Shares Subject to the Plan

- 4.1 Options may be granted in respect of authorized and unissued Shares provided that, subject to increase by the Board, the receipt of the approval of the Exchange and the approval of shareholders of the Corporation, the maximum aggregate number of Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding shares of the Corporation (on a non-diluted basis) or such other number as may be approved by the Exchange, from time to time. No fractional Shares may be purchased or issued under the Plan.

5. Eligibility; Grant; Terms of Options

- 5.1 Options may be granted to bona fide Eligible Persons.
- 5.2 Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time provided and to the extent that such decisions are approved by the Board.
- 5.3 Subject to the provisions of this Plan, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option shall be exercisable exceed 5 years.
- 5.4 Except where not permitted by the Exchange, if an option expiration date falls within a Black-Out Period or within ten (10) Business Days of the end of a Black-Out Period, the term of such Option shall be extended to the date which is ten (10) Business Days following the end of such Black-Out Period.
- 5.5 In the event that no specific determination is made by the Board with respect to any of the following matters, the period during which an Option shall be exercisable shall be 5 years from the date the Option is granted to the Optionee and the Options shall vest on the date of the grant, except that options issued to Persons employed in Investor Relations Activities must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.
- 5.6 The Option Price of Shares which are the subject of any Option shall in no circumstances be granted with an exercise price lower than the Market Price of the Shares.
- 5.7 The maximum number of Shares which may be issued to any one Optionee under this Plan together with any other Share Compensation Arrangement in any 12 month period shall not exceed 5% of the Shares outstanding (on a non-diluted basis) from time to time.
- 5.8 The maximum number of Shares which may be reserved for issuance to all Insiders under this Plan together with any other Share Compensation Arrangement shall not exceed 10% of the Shares outstanding (on a non-diluted basis) from time to time.
- 5.9 The maximum number of Shares which may be issued to all Insiders under this Plan together with any other Share Compensation Arrangement in any 12 month period shall not exceed 10% of the Shares outstanding (on a non-diluted basis) from time to time.

- 5.10 The maximum number of Shares which may be issued to any one Person retained as a Consultant or as a Management Company Employee/Consultant under the Plan or any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the Shares outstanding (on a non-diluted basis) from time to time.
- 5.11 The maximum number of shares which may be issued to Persons engaged in Investor Relations Activities under this Plan together with any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the Shares outstanding (on a non-diluted basis) from time to time.
- 5.12 Any entitlement to acquire Shares granted pursuant to the Plan or any other Share Compensation Arrangement prior to the Optionee becoming an Insider shall be excluded for the purposes of the limits set out in 5.9 above.
- 5.13 An Option is personal to the Optionee and is non-assignable and non-transferable. Where an Option is granted to a company wholly-owned by an Optionee, such company must agree at the time of the grant, not to effect or permit any transfer of ownership of Options or shares of such company, nor issue any additional shares to any individual or entity for so long as Options remain outstanding to the credit of that company, except with the prior written consent of the Corporation, the Exchange and any other applicable regulatory authority.
- 5.14 Notwithstanding any provision contained in this Plan, no Optionee may exercise any Option granted under this Plan and no Shares may be issued upon exercise of an Option unless such exercise and issuance are in compliance with all applicable securities laws or other legislation of the jurisdiction of residence of such Person. Unless the potential Optionee is a resident of Canada, the Corporation may require, as a condition of the grant of Options, that the potential Optionee provide a written acknowledgement that the grant of the Options does not violate any such laws.

6. Exercise of Options

- 6.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by a cash payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
- 6.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
 - (j) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - (k) the listing of such Shares on the Exchange; and
 - (l) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or stock exchange approval, then the obligation of the Corporation to

issue such Shares shall terminate and any Optionee's contribution or Option Price paid to the Corporation shall be returned to the Optionee.

7. Amendment Procedure

7.1 Where permissible, the Corporation retains the right to amend or terminate the terms and conditions of the Plan by resolution of the Board. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Options on the date of, and all Options granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Options it may apply to such outstanding Options only with the mutual consent of the Corporation and the Optionees to whom such Options have been granted. The Board shall have the power and authority to approve amendments relating to the Plan or to Options, without further approval of the shareholders of the Corporation, to the extent that such amendments relate to:

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) amending the termination provisions of an Option, which amendment shall include altering the expiry date of an Option in accordance with Article 8 for any reason acceptable to the Board in the circumstances where the Optionee has ceased to be an Eligible Person;
- (c) determining adjustments pursuant to Article 9 hereof;
- (d) amending the definitions contained within the Plan, including but not limited to the definition of "Eligible Person" under the Plan except as provided in Section 7.2(e);
- (e) amending or modifying the mechanics of exercise of the Options as set forth in Article 6;
- (f) effecting amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
- (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
- (h) effecting amendments respecting the administration of the Plan; and
- (i) effecting amendments necessary to suspend or terminate the Plan.

7.2 Approval of the shareholders of the Corporation shall be required for the following types of amendments:

- (a) increasing the number of Shares issuable under the Plan, except such increase by operation of Section 4.1 and in the event of an adjustment contemplated by Article 9;
- (b) amending the Plan which amendment could result in the aggregate number of Shares of the Corporation issued to Insiders within any one year period under the Plan together with any other security-based compensation arrangement, or issuable to Insiders at any time under the Plan together with any other security-based compensation arrangement, exceeding 10% of the issued and outstanding Shares;
- (c) reducing the Option Price of the Option or cancelling the Option and replacing such Option with a lower Option Price under such replacement Option, subject to approval by disinterested shareholders, except as permitted pursuant to Article 9;
- (d) an extension of the term of an option granted under the Plan benefiting an Insider;

- (e) amending the listed categories contained in the definition of "Eligible Persons" hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;
- (f) amending Section 7.1 hereof and this Section 7.2; and
- (g) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an Insider; and (ii) any grant of options to Insiders, within a 12 month period, exceeding 10% of the Corporation's issued shares.

Where required by the policies of the Exchange, the shareholder approval required by this Section 9.2 shall be by the majority vote of the shareholders of the Corporation excluding any votes cast by Insiders who are entitled to participate as Eligible Persons under the Plan or who will specifically benefit from the proposed amendment. In the event of any conflict between Sections 7.1 and this Section 7.2, the latter shall prevail to the extent of the conflict.

8. Termination of Employment; Death

- 8.1 All Options shall be for a term (the "**Term**") determined in the discretion of the Board at the time of the granting of the stock options, provided that no Option shall have a term exceeding five years.
- 8.2 Options granted to an Eligible Person who is not engaged in Investor Relations Activities must expire within 90 days after the Optionee ceases to be in at least one of the prescribed categories of Eligible Person, or such longer period as may be determined by the Board up to a period of one (1) year.
- 8.3 Options granted to an Eligible Person who is engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be engaged to provide Investor Relations Activities.
- 8.4 If, before the expiry of an Option in accordance with the terms thereof, the Optionee is no longer an Eligible Person by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the Optionee at any time during the first six months following the death of the Optionee or such longer period as may be determined by the Board up to a period of one (1) year (but prior to the expiry of the Option in accordance with the terms thereof) but only to the extent that the Optionee was entitled to exercise such Option at the date the Optionee was no longer an Eligible Person.
- 8.5 Options shall not be affected by any change of employment or status of the Optionee or by the Optionee ceasing to be a director where the Optionee continues to be an Eligible Person.

9. Change in Control and Certain Adjustments

- 9.1 Notwithstanding any other provision of this Plan in the event of:
 - (j) the acquisition by any Person of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders; or
 - (k) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then notwithstanding that at the effective time of such transaction the Optionee may not be entitled to all the Shares granted by the Option, the Optionee shall be entitled to exercise the Options to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.

- 9.2 Appropriate adjustments with respect to Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders of the Corporation and to acceptance by the Exchange respectively, if applicable.

10. Miscellaneous Provisions

- 10.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Corporation.
- 10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue as an Eligible Person or affect in any way the right of the Corporation or any Subsidiary to terminate the Eligible Person or any Consultant which has employed or retained the Eligible Person; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the status of the Optionee as an Eligible Person beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation, any Subsidiary or Consultant or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract with the Corporation, any Subsidiary or a Consultant.
- 10.3 To the extent required by law or regulatory policy or necessary to allow Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.
- 10.4 The Plan will be governed by and construed in accordance with the laws of the Province of Ontario.
- 10.5 If any provision of this Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

11. Approval

- 11.1 The Plan shall be subject to acceptance by the Exchange or any other relevant regulatory authority. Any Options granted prior to such acceptance shall be conditional upon such acceptance being given and no such Options may be exercised unless such acceptance is given.
- 11.2 The Plan must receive Shareholder approval yearly, at the Company's Annual General Meeting.

[End of Plan.]

SCHEDULE “B”
AUDIT COMMITTEE CHARTER

MANDATE

The Audit Committee (“**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Aurania Resources Ltd. (the “**Company**”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for the Company’s external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company’s outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member’s duties as a member of the Board.

The Committee has the duty to determine whether the Company’s financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

MEMBERSHIP AND COMPOSITION

The Committee shall consist of at least three Directors who shall serve on behalf of the Board of which at least two directors are independent. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange, including National Instrument 52-110 – *Audit Committees*, and other regulatory agencies as required.

A majority of members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

MEETINGS

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than five (5) business days before the meeting.

The Committee shall meet no less than four times per year or more frequently if circumstances or the obligations require.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

A. Financial Reporting and Disclosure

- i. Review and discuss with management and the external auditor at the completion of the annual examination:
 - a. the Company's audited financial statements and related notes;
 - b. the external auditor's audit of the financial statements and their report thereon;
 - c. any significant changes required in the external auditor's audit plan;
 - d. any serious difficulties or disputes with Management encountered during the course of the audit; and
 - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with Management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- iii. Review, discuss with Management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Review and discuss with Management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- vi. Meet independently with the external auditor and Management in separate executive sessions, as necessary or appropriate.
- vii. Ensure that Management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

EXTERNAL AUDITOR

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- ii. Recommend to the Board of Directors the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.
- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:

- a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,
- b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
- c. approve in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX Venture Exchange with respect to approval of non-audit related services performed by the auditor.

INTERNAL CONTROLS AND AUDIT

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with Management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Assess the requirement for the appointment of an internal auditor for the Company.
- iii. Inquire of Management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of Management and the external auditor about significant financial risks or exposures and the steps Management has taken to minimize such risks to the Company.

OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

CHARTER REVIEW

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

ADOPTION

This Policy was adopted by the Board on January 3, 2013.