



**AURANIA RESOURCES LTD.**

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO  
THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 17, 2013**

Dated November 4, 2013

## 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 “**Corporation**”) will be held at the Suite 1010, 8 King Street East Toronto, Ontario M5C 1B5, on December 17, 2013 at 11:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2012 and the report of the auditors thereon;
2. to appoint McGovern, Hurley, Cunningham, LLP, Chartered Accountants as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify and approve the Corporation’s incentive stock option plan adopted on February 15, 2011;
5. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify and confirm an amendment to the Corporation’s bye-laws that adds shareholder rights provisions similar to those available under Canadian corporate statutes, as more particularly described in the management information circular of the Corporation dated November 4, 2013 (the “**Circular**”); and
6. 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 nature of the business to be transacted at the Meeting is described in further detail in the Circular under the section entitled *Matters to be Acted Upon*.

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 November 4, 2013 (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.

#### **Notice-and-Access**

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

#### **Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended December 31, 2012 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2012 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s website at [www.auraniaresources.com](http://www.auraniaresources.com) under “Investors”. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all

Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

### **Obtaining Paper Copies of Materials**

The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call the Corporation's transfer agent Capital Transfer Agency Inc. ("**Capital Transfer**") toll-free at 1.800.631.0940. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by no later than December 9, 2013 ("**Request Deadline**") in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries 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 adjournments or postponements thereof (the "**Proxy Deadline**"). If a Shareholder elects to receive a document in a physical form, the Corporation shall send to that person such document within seven (7) days of receipt of notice of that Shareholder's election, subject to the Request Deadline.

### **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 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, 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 CIRCULAR BEFORE VOTING.**

DATED this 4<sup>th</sup> day of November, 2013.

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

*"Keith M. Barron"*

Keith M. Barron  
President, Chief Executive Officer, Executive Chairman and Director

## AURANIA RESOURCES LTD.

### MANAGEMENT INFORMATION CIRCULAR

Aurania Resources Ltd. (the “**Corporation**”) is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for distribution of this Circular to both registered and non-registered (or beneficial) shareholders of the Corporation (collectively, the “**Shareholders**”). Further information on notice-and-access is contained below under the heading *General Information Respecting the Meeting – Notice-and-Access* and Shareholders are encouraged to read this information for an explanation of their rights.

### GENERAL INFORMATION RESPECTING THE MEETING

#### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the annual and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at 11:00 a.m. (Toronto time) on December 17, 2013 at Suite 1010, 8 King Street East, Toronto, Ontario M5C 1B5, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice”).** References in this 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 Corporation 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 Corporation.

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on November 4, 2013 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 Corporation’s registrar and transfer agent, Capital Transfer Agency Inc. (“**Capital Transfer**”) at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, 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 Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of November 4, 2013.

#### Voting of Proxies

The common shares in the capital stock of the Corporation (“**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 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 Corporation. **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, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1;
- (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, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1 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 Corporation will have distributed copies, via mail or electronically, of the Notice, this 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. The majority of 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 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1, 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

Corporation is not sending Meeting Materials directly to the NOBOs. The Corporation will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs. **As more particularly outlined below under the heading *Notice and Access*, Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.**

### **Notice and Access**

As noted above, the Corporation is utilizing the Notice-and-Access Provisions that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Circular to all registered Shareholders and Non-Registered Shareholders.

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended December 31, 2012 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2012 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s website at [www.auraniareources.com](http://www.auraniareources.com) under “Investors”. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular. **Shareholders are reminded to review this Circular before voting.**

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and a supplemental mail list return card for Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2013 fiscal year.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call the Corporation’s transfer agent Capital Transfer toll-free at 1.800.631.0940. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporate Secretary of the Corporation.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by no later than December 9, 2013 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Corporation or Capital Transfer, or b) their voting instruction form to their Intermediaries by its due date.

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, or each proposed nominee for election as a director of the Corporation, 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 Corporation 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 22,759,735 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 November 4, 2013 (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 Corporation’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 Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Keith M. Barron <sup>(3)</sup>	14,117,873	62%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the Shareholder listed above.
- (2) On a non-diluted basis.
- (3) The 14,117,873 Common Shares noted above is held by Bambazonke Holdings Ltd., a company controlled by Dr. Keith M. Barron.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation’s Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation 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 Corporation’s most recently complete financial year, being the financial year ended December 31, 2012 (the “**Last Financial Year**”). The only NEOs of the Corporation during the Last Financial Year were Keith M. Barron, the President, Chief Executive Officer and Executive Chairman of the Corporation, Elaine Ellingham, the former President and Chief Executive Officer of the Corporation and Donna McLean, the Chief Financial Officer of the Corporation.

### *Compensation Committee*

The compensation committee of the Board (“**Compensation Committee**”) is currently comprised of three directors, namely Marvin K. Kaiser (Chairman), Elaine Ellingham 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**”), other than Ms. Ellingham, who is not considered to be independent since she was an executive officer of the Corporation within the last three years.

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 Corporation, 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 Corporation to meet its goals; and (iii) acting in the best interests of the Corporation 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 Corporation's compensation policies and practices.

**Marvin Kaiser** – Marvin Kaiser, the Chair of the Compensation Committee, has held this position 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 serves on the compensation committees of Gryphon Gold Corporation, Brigus Gold Corporation and Uranium Resources Inc.

**Elaine Ellingham** – Elaine Ellingham has served as member of the Compensation Committee since 2010. She is a professional geoscientist with over 25 years of experience in the mining industry and a consultant having provided geological and corporate finance services to international clients. She also spent eight years with the Toronto Stock Exchange, from 1997–2005, in a number of capacities including National Leader of Mining and served on the TSX Stock List Committee. She serves as the Lead Director of Richmond Mines Inc. and was formerly an independent director of Hudson River Minerals Ltd. While at Hudson River, the company did not have a compensation committee, yet all matters relating to the company's compensation program for its named executive officers were decided by the independent directors, including Ms. Ellingham.

**Gerald Harper** – Gerald Harper is a senior mining executive with over 40 years of diversified international management, exploration, development and operational experience in precious and base metals mining. He has valuable expertise in corporate governance and management. He currently serves as an independent director and member of the audit and compensation committee of NWM Mining Corp. and was formerly an independent director and compensation committee member of Mustang Minerals Corp., where his principal responsibilities consisted of reviewing the compensation of the corporation's CEO and other senior executives of the corporation and providing recommendations to the board for approval.

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 Corporation from time to time; and (ii) establish and periodically review the Corporation'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 Corporation 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 Corporation'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 Corporation'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/Objectives of the Compensation Program**

The primary goal of the Corporation'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

Corporation's senior officers is determined with regard to the Corporation'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 Corporation's senior officers are comprised of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options	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 Corporation 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 Corporation'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 Corporation 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 Corporation's existing financial resources. Base salaries will be reviewed annually by the Compensation Committee.

Elaine Ellingham, the former CEO received \$73,333 in compensation for her services to the Corporation during the financial year ended December 31, 2011. As at January 1, 2012, the current CEO's annual base salary is \$Nil, and pursuant to a consulting agreement entered into by the Corporation with its CFO, Donna R. McLean, dated January 1, 2013, Ms. McLean is compensated with a base annual salary of \$60,000. There were no other changes made to the base compensation of the NEOs during or subsequent to the Last Financial Year.

#### *Stock Options*

The grant of options pursuant to the Stock Option Plan is an integral component of the compensation arrangements of the senior officers of the Corporation. The Board believes that the grant of options to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Corporation's long-term strategic objectives, which benefits the Shareholders. Options may be awarded to directors, officers, employees and consultants of the Corporation 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 Corporation's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular 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.

During the Last Financial Year, on the basis of the above factors, the Board did not grant any options. However, on April 11, 2013, after the successful completion of the Corporation's initial public offering and listing on the TSX Venture Exchange, the Board granted an aggregate of 1,750,000 to certain officers and directors of the Corporation.

#### *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 Corporation believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Corporation 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 Corporation as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

Base salaries are fixed in amount 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 Corporation's annual incentive award program represents a small percentage of employee's compensation opportunities. 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 Corporation'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.

### **Summary Compensation Table**

The following tables provides information for the Last Financial Year and the years ended December 31, 2011 and December 31, 2010 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended December 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Keith M. Barron <sup>(1)</sup> President & Chief Executive Officer	2012	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elaine Ellingham <sup>(2)</sup> Former President & Chief Executive Officer	2012	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2011	73,333	Nil	Nil	N/A	N/A	N/A	Nil	73,333
	2010	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
Donna R. McLean <sup>(3)</sup> Chief Financial Officer and Secretary	2012	60,000	Nil	Nil	N/A	N/A	N/A	Nil	60,000
	2011	62,000	Nil	Nil	N/A	N/A	N/A	Nil	62,000
	2010	26,500	Nil	Nil	N/A	N/A	N/A	Nil	26,500

Notes:

- (1) On May 31, 2012, Dr. Barron was appointed President and CEO of the Corporation, replacing Ms. Elaine Ellingham.
- (2) On May 31, 2012, Ms. Ellingham resigned as President and CEO of the Corporation.
- (3) Ms. McLean was appointed CFO of the Corporation on September 30, 2010 and Secretary of the Corporation on January 7, 2011.

### **Incentive Plan Awards**

As at December 31, 2012, the Corporation did not grant to any NEOs option or Common Share-based awards.

### **Pension Plan Benefits**

As at the date of this Circular, the Corporation does not have any pension plans.

### **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 Corporation in the event of the resignation, retirement or other termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

Keith M. Barron

Keith Barron, the President and Chief Executive Officer of the Corporation, is entitled to receive an annual base salary of \$Nil. Pursuant to a service costs agreement (the “**Geosource Agreement**”) entered into between the Corporation and Geosource Exploration Inc. (a services and consulting company controlled by Dr. Barron, herein referred to as “**Geosource**”) on January 1, 2013, in consideration for services provided by Geosource to the Corporation (including project and office support in Switzerland and Toronto), Geosource is entitled to receive a monthly service fee in the amount of \$15,000 to compensate the direct costs of Geosource for services provided.

Pursuant to the Geosource Agreement, if Geosource is provided 90 days’ written notice by the Corporation of the Corporation’s intention to terminate the Geosource Agreement, and such termination would be effective within two (2) years from the date that the Corporation completed its initial public offering, then a one-time break fee of \$75,000 would be payable to Geosource, in addition to any other amounts then owed.

Donna McLean

Ms. McLean, the Chief Financial Officer and Secretary of the Corporation, is entitled to receive an annual consulting salary of \$60,000 per year for a fixed term of one year. Upon completion of the term, Ms. McLean’s consulting agreement may be renewed for additional, one-year terms.

**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, taking into account 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 Corporation.

Directors may receive stock option grants as determined by the Board pursuant to the Corporation’s incentive stock option plan. The exercise price of such 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 Corporation’s incentive stock option plan and the policies of the TSX Venture Exchange.

**Director Compensation Table**

The following compensation table sets out the total compensation paid to each of the Corporation’s directors (who are not NEOs) during the Last Financial Year. Dr. Barron is a director and a NEO of the Corporation and Ms. Ellingham is a director and was an NEO of the Corporation during the Last Financial Year. Any compensation received by those individuals is reflected in the NEO Summary Compensation Table above.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Gerald Harper	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marvin K. Kaiser	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Incentive Plan Awards

As at December 31, 2012, the Corporation did not grant to directors (who are not NEOs) any option or Common Share-based awards.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### ***Stock Option Plan***

The Corporation adopted an incentive stock option plan dated February 15, 2011 (the “**Plan**”), and the Plan is the Corporation’s only equity compensation plan. As of the date of this Circular, the Corporation has 1,860,000 options outstanding to purchase Common Shares, which were all granted subsequent to the Last Financial Year.

The Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The purpose of the Plan is to advance the interests of the Corporation by (i) providing certain employees, officers, directors or consultants of the Corporation (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 Corporation; (iv) encouraging the Optionees to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

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 and all of the Corporation’s other security based compensation arrangements at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the Plan, subject to adjustment or increase of such number pursuant to the terms of the Plan. 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 Venture Exchange, the last closing price of the Common Shares on the TSX Venture Exchange; or (ii) if the Common Shares are not listed on the TSX Venture Exchange, 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 Corporation 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 such longer or shorter 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 outstanding shall be immediately exercisable.

### ***Equity Compensation Plan Information***

The following table provides details of the equity securities of the Corporation authorized for issuance as of the date hereof pursuant to the Corporation's equity compensation plan currently in place:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	1,860,000	\$0.40	415,973
Total	1,860,000 <sup>(2)</sup>		415,973

Notes:

(1) Based on a total of 2,275,973 stock options issuable pursuant to the Plan, representing 10% of the issued and outstanding Common Shares as at the date hereof.

(2) Representing approximately 8.2% of the issued and outstanding Common Shares as at the date hereof.

## **MATTERS TO BE ACTED UPON**

### **Appointment of Auditors**

McGovern, Hurley, Cunningham, LLP, Chartered Accountants (“**McGovern Hurley**”) are the independent registered certified auditors of the Corporation. McGovern Hurley was first appointed as auditors of the Corporation 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 Corporation 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.**

### **Election of Directors**

The Corporation's bye-laws provide that the Board consist of a minimum of three (3) and a maximum of 15 directors. At the Meeting, the following four (4) persons named hereunder will be proposed for election as directors of the Corporation. 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

The following table 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 Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

Shareholders have the option to (i) vote for all of the directors of the Corporation 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 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 <sup>(1)</sup>
Keith M. Barron <i>Valais, Switzerland</i>	July 2, 2007	President and CEO of the Corporation	14,117,873
Elaine Ellingham <sup>(2)(3)(4)</sup> <i>Ontario, Canada</i>	October 30, 2008	Since January 2006, Ms. Ellingham has been the President of Ellingham Consulting Ltd. From September 2010 to May 31, 2012, she also acted as President and CEO of the Corporation. From October 2008 to April 2009, Ms. Ellingham served as Senior Vice President of IAMGOLD Corporation.	1,025,000
Gerald Harper <sup>(2)(3)(4)</sup> <i>Ontario, Canada</i>	October 30, 2008	Since June 1991 Dr. Harper has been President of Gamah International Ltd. From 2005 to June 2009 he was VP of Western Prospector Group Ltd. He is also President and CEO of Minfocus Exploration Corp.	150,000
Marvin K. Kaiser <sup>(2)(3)(4)</sup> <i>Kentucky, United States</i>	October 30, 2008	Since May 2006, Mr. Kaiser has been the President of Whippoorwill Consulting, LLC.	100,000

**Notes:**

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

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 15,392,873 Common Shares, representing approximately 67.6% 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 the above table 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 Corporation) 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 the above table (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 Corporation) 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 Gold Corporation (“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 is currently a director of Gryphon.

No individual as set forth in the above table (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 the above table (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.

## **Stock Option Plan Approval**

The TSX Venture Exchange 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 Corporation 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 Corporation, or any subsidiary of the Corporation, 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 Venture Exchange. As at the date hereof, this represents 2,275,973 Common Shares available under the Plan.

Outstanding options to purchase a total of 1,860,000 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 415,973. 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 Corporation at its registered head office located at Suite 1010 – 8 King Street East, Toronto, Ontario M5C 1B5, 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.**

## **Bye-Law Amendment**

As a condition of listing the Common Shares, the TSX Venture Exchange instructed the Corporation amend its by-laws to include shareholder rights that are substantially similar to those found under Canadian corporate statutes. On March 20, 2013, pursuant to the requirements of the TSX Venture Exchange, the Board approved certain amendments (the “**Bye-Law Amendments**”) to its by-laws to include provisions that (i) require the directors and classes of directors to have the same voting rights; (ii) place limitations on liability of directors and officers equivalent to those found under Canadian corporate statutes; and (iii) to ensure that any right of directors under Bermuda law to take action to protect the interests of the Corporation and Shareholders by granting or denying any rights, privileges, powers or authorities of Shareholders does not apply to the Corporation.

Pursuant to the provisions of *The Companies Act 1981* (Bermuda) (the “**Act**”), the Bye-Law Amendments will cease to be effective unless confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. A copy of the new sections representing the Bye-Law Amendments is set forth in Appendix “B” hereto and a copy of the amended Bye-Laws has been filed on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Shareholder Approval for the Bye-Law Amendment***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “**Bye-Law Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, ratifying and confirming the Bye-Law Amendments. In order to be affected, the Bye-Law Resolution must be approved by a simple majority of the votes cast at the Meeting in respect thereof.

**The Board recommends that Shareholders vote FOR the Bye-Law 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 Bye-Law Resolution, the persons named in the proxy or voting information form will vote FOR the Bye-Law Resolution.**

### **Other Matters**

Management of the Corporation 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 Corporation 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 Corporation. 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 four (4) directors being Keith M. Barron, Elaine Ellingham, Gerald Harper and Marvin K. Kaiser. Messrs. Harper and Kaiser are independent within the meaning of NI 58-101. Dr. Barron is not independent as he is an executive officer of the Corporation and thereby has a “material relationship” with the Corporation, and Ms. Ellingham is not independent since she was an executive officer of the Corporation within the last three years and thereby has a “material relationship” with the Corporation.

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. In light of the suggestions 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 below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Keith M. Barron	Kimber Resources Inc.	TSX
	U3O8 Corporation	TSX
	Firestone Ventures Inc.	TSXV
Elaine Ellingham	Richmont Mines Inc.	TSX
Gerald Harper	MinFocus Exploration Corp.	TSXV
	NWM Mining Ltd.	TSXV
Marvin K. Kaiser	Uranium Resources Inc.	NASDAQ
	Brigus Gold Corporation	TSX
	Gryphon Gold Corporation	TSX

### **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 Corporation's business, which consists of the following:

- an orientation session with senior officers to receive an overview the Corporation'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 Corporation'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 Corporation 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 Corporation. Copies of the Corporation's code of conduct are available upon written request from the CEO or CFO of the Corporation. The Nominating and Corporate Governance Committee (the "**Nominating Committee**") is responsible for ensuring compliance with the Corporation's code of conduct. There have been no departures from the Corporation'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 Corporation's annual business plan and budget;
- major acquisitions or dispositions by the Corporation; and
- transactions which are outside of the Corporation'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 Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Corporation'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 Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- the ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

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 Corporation.

### **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 Corporation. 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 Corporation 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.

### **Other Board Committees**

The Board has also established an Occupational Health and Safety Committee and a Disclosure Committee. The Occupational Health & Safety Committee is responsible for reviewing environmental and occupational health and safety policies and programs, overseeing the Corporation's occupational health and safety performance, and monitoring current and future regulatory issues. The Disclosure Committee will meet as conditions dictate and is kept fully apprised of all pending material Corporation developments 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 Corporation's business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his 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 Corporation 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 Appendix "A" to this Circular.

### **Composition of the Audit Committee**

The members of the Audit Committee are Marvin K. Kaiser (Chairman), Gerald Harper and Elaine Ellingham. Messrs. Kaiser and Harper are independent (as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) adopted by the Canadian Securities Administrators). Ms. Ellingham is not independent as she was an executive officer of the Corporation in the past three years, and all members are financially literate (as defined in NI 52-110).

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Marvin K. Kaiser (Chair)	Yes	Yes
Gerald Harper	Yes	Yes
Elaine Ellingham	No	Yes

**Notes:**

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the board of directors of the Corporation, 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 Corporation’s financial statements.

### **Relevant Education and Experience**

**Marvin K. Kaiser** – Marvin K. 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 also 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 and Senior Vice President of IAMGOLD Corporation from October 2008 to April 2009. Prior to that, she held various positions with the Toronto Stock Exchange between 1997 and 2005. 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 Corporation 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)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
December 31, 2012	\$53,000	Nil	Nil	Nil
December 31, 2011	\$36,000	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual 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 Corporation'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 Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation 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, 2012, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, 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 Corporation, including under any securities purchase or other program.

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

Since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of this Circular, the Financial Statements and MD&A for the year ended December 31, 2012 may be directed to the Corporation's transfer agent toll-free by telephone at 1.800.631.0940. Additional financial information is provided in the Financial Statements and MD&A for the year ended December 31, 2012 which is also available on SEDAR and the Corporation's website at [www.auraniaresources.com](http://www.auraniaresources.com).

**APPROVAL**

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

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Keith M. Barron”*

Keith M. Barron  
President, Chief Executive Officer, Executive Chairman and  
Director

## APPENDIX “A”

### AUDIT COMMITTEE CHARTER

#### MANDATE

The Audit Committee (“**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Aurania Resources Ltd. (the “**Corporation**”). 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 Corporation’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 Corporation, 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 Corporations’ 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 Corporation’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 Corporation’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Corporation 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 Corporation 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 Corporation'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 Corporation'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 Corporation and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Corporation'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 Corporation'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 Corporation, 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 Corporation 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 Corporation's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Corporation maintains appropriate systems, is able to assess the pertinent risks of the Corporation 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 Corporation.
- 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 Corporation.

#### **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 Corporation'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 Corporation, 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 Corporation'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.

## APPENDIX "B"

### AMENDMENTS TO BYE-LAWS

The Bye-Laws of Aurania Resources Ltd. were amended and restated by adding the following new sections:

- 65A. All Directors of the Company are in the same class and shall have equal voting power.
133. No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Company shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.
134. A director who is present at a meeting of directors or committee of directors is deemed to have consented to any resolution passed or action taken at the meeting unless:
- (a) the director requests a dissent to be entered in the minutes of the meeting, or the dissent has been entered in the minutes;
  - (b) the director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
  - (c) the director sends a dissent by registered mail or delivers it to the registered office of the corporation immediately after the meeting is adjourned.
135. A director who votes for or consents to a resolution is not entitled to dissent under bye-law 134.
136. A director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented thereto unless within seven (7) days after becoming aware of the resolution, the director aware of the resolution, the director:
- (a) causes a dissent to be placed with the minutes of the meeting; or
  - (b) sends a dissent by registered mail or delivers it to the registered office of the corporation.
137. Any right of directors under the laws of Bermuda to take action to protect the interests of the Company and to stockholders by granting or denying any rights, privileges, powers or authorities of shareholders does not apply to the Company.