



# AURANIA

## **AURANIA RESOURCES LTD.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 10, 2020**

### **COVID-19 Guidance:**

In the context of the effort to mitigate potential risks to the health and safety associated with COVID-19, and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders of Aurania Resources Ltd. are being discouraged from attending the Annual and Special Meeting Of Shareholders in-person. All shareholders are encouraged to vote on the matters before the meeting by proxy in the manner set out in the Notice of Meeting and the Management Information Circular dated April 30, 2020.

## AURANIA RESOURCES LTD.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Aurania Resources Ltd. (the “**Company**”) will be held on June 10, 2020 at 2:30 pm (Toronto time) at the offices of the Company at 36 Toronto Street, Suite 1050, Toronto Ontario M5C 2C5, for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2019 and the report of the auditors thereon;
2. to appoint UHY McGovern Hurley LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Company’s Incentive Stock Option Plan for the ensuing year; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the management information circular of the Company dated April 30, 2020 (the “**Circular**”). An “ordinary resolution” is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is April 30, 2020 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his/her/its duly executed form of proxy with the Company’s transfer agent and registrar, TSX Trust Company Inc. (“**TSX Trust**”), at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1 no later than 2:30 p.m. (Toronto time) on **June 8, 2020** or, if the meeting is adjourned, not later than 48 hours, excluding weekends and statutory holidays in the City of Toronto, Ontario, preceding the time of such adjourned meeting. Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the form of proxy so that as large a representation as possible may be had at the Meeting.

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

The Company 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 Non-Registered Shareholders.

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

The Notice-and-Access Provisions are a set of rules that allow 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 Company for the year-ended December 30, 2019 (“**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for 2019 (“**MD&A**”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at <http://aurania.com/investors/annual-general-meeting>. The Company 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 Company anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Company 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. Inquiries including questions about notice-and-access and/or requests for paper copies of this information circular, the Financial Statements and MD&A for the year-ended December 31, 2019, may be directed to the Company's transfer agent, TSX Trust, toll-free by telephone at 1-866-600-5869 or via email at [TMXEInvestorservices@tmx.com](mailto:TMXEInvestorservices@tmx.com). A request for paper copies which are required in advance of the Meeting should be sent so that they are received by TSX Trust, by June 1, 2020 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**"). Any requests for paper copies received by the Company after June 1, 2020 will be delivered to Shareholders in accordance with applicable securities law.

## **VOTING**

### **COVID-19 Guidance**

**In the context of the effort to mitigate potential risks to the health and safety associated with COVID-19, and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders of Aurania Resources Ltd. are being discouraged from attending the Annual and Special Meeting Of Shareholders in-person. All shareholders are encouraged to vote on the matters before the meeting by proxy in the manner set out in the Notice of Meeting and Circular.**

**To allow the Shareholders to follow the conduct of the Meeting, the Company is providing a teleconference facility that can be used by Shareholders and guests to follow the conduct of the Meeting in real time and to ask questions during the question period.**

#### **Conference Call Details:**

**Date: Wednesday, June 10, 2020**

**Time: 2:30pm EDT**

**Webcast URL: <http://services.choruscall.ca/links/aurania20200610.html>**

When prompted, webcast participants enter: First Name, Last Name, Company, Email Address.

#### **PARTICIPANT TELEPHONE NUMBERS**

**Canada/USA Toll Free: 1-800-319-4610**

**Toronto Toll: +1-416-915-3239**

**UK & Europe Toll Free: 0808-101-2791**

*Callers should dial in 5 – 10 min prior to the scheduled start time and simply ask to join Aurania's call.*

**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 or not planning 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: (A) TSX Trust Company (in the case of registered holders) at Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Fax Number: 416-595-9593 prior to the Proxy Deadline, failing which such votes may not be counted, or (B) your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline.

DUE TO COVID-19-RELATED CONCERNS ALL SHAREHOLDERS WHO ARE ELIGIBLE TO VOTE AT THE MEETING ARE STRONGLY ENCOURAGED TO VOTE BY PROXY PRIOR TO THE PROXY DEADLINE IN THE MANNER SET OUT ABOVE. THE MANAGEMENT OF THE COMPANY IS DISCOURAGING IN-PERSON ATTENDANCE OF THE MEETING DURING THE PERIOD OF RESTRICTIONS ON PUBLIC GATHERINGS INSTITUTED OR RECOMMENDED BY HEALTH OFFICIALS IN CONNECTION WITH THE PROLIFERATION OF COVID-19.

The management of the Company reserves the right to take any additional precautionary measures it will deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak including, if the management of the Company considers necessary or advisable, providing a webcast version of the Meeting and/or hosting the Meeting solely by means of remote communication, placing restrictions on in-person attendance, or postponing or adjourning the Meeting. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our Company’s news releases <http://aurania.com/news/press-releases> as well as the home page of the Company’s website at <http://www.aurania.com> for updated information. The management of the Company advises the Shareholders of the Company to check our Company website one week prior to the Meeting date for the most current information. If applicable and as appropriate, this webpage will contain required information that would allow shareholders to remotely dial or log-in for purposes of listening, but not participating in, the Meeting. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR BEFORE VOTING.**

**DATED** this 30<sup>th</sup> day of April, 2020.

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

(signed) “*Keith Barron*”

Dr. Keith Barron  
Chief Executive Officer, Chairman and Director

## AURANIA RESOURCES LTD.

### MANAGEMENT INFORMATION CIRCULAR

Aurania Resources Inc.(the “**Company**”) 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 management information circular (the “**Circular**”) to both registered and non-registered (or beneficial) holders (“**Shareholders**”) of common shares of the Company (“**Common Shares**”). 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 information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Company to be held at 2:30 p.m. (Toronto time) on June 10, 2020 at the offices of the Company at 36 Toronto Street, Suite 1050, Toronto Ontario M5C 2C5 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 Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the “**Board**”) has fixed the close of business on April 30, 2020 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Company’s registrar and transfer agent, TSX Trust Company (“**TSX Trust**”) at Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Fax Number: 416.595.9593 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 (the “**Proxy Deadline**”).

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 April 30, 2020.

#### **Notice and Access**

As noted above, the Company 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 (as defined below).

The Notice-and-Access Provisions are a new set of rules that allow 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 Company for the year-ended December 31, 2019 (“**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for fiscal year 2019 (“**MD&A**”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at <http://aurania.com/investors/annual-general-meeting>. The Company 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 of Meeting with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Company’s supplementary mailing list for receipt of the Company’s interim financial statements for the 2019 fiscal year.

The Company anticipates that notice-and-access will directly benefit the Company 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 contact the Company’s transfer agent, TSX Trust Company Inc. (“**TSX Trust**”), by telephone toll-free at 1-866-600-5869 or via email at [TMXEInvestorservices@tmx.com](mailto:TMXEInvestorservices@tmx.com). Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting TSX Trust at the toll-free number or email address above.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by TSX Trust, by June 1, 2020 in order to allow sufficient time for Shareholders to receive their paper copies and to return their form of proxy to TSX Trust (in the case of registered Shareholders), or their voting instruction form to their intermediaries (in the case of Non-Registered Shareholders, as such term is defined herein) by its due date.

### **Voting of Proxies**

The common shares in the capital stock of the Company (“**Common Shares**”) represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of TSX Trust 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 Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of TSX Trust, 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 TSX Trust, Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1;
- (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 TSX Trust, Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

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

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" or "beneficial" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies via mail or electronically of the Notice, the form of proxy, a request card for interim and annual materials and either this Circular, or in case of meetings conducted through the Notice-and-Access system like the Meeting, guidance on access to the Circular available electronically or in paper form on request (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 such materials. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those voting instruction forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction form 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 TSX Trust at Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Fax Number: 416-595-9593.

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

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

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

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

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

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Company consists of 1,000,000,000 Common Shares with a par value of \$0.00001 per Common Share. As at the date hereof, there are 40,656,189 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 April 30, 2020 (the "**Record Date**"). All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent, TSX Trust, prior to the Proxy Deadline, to attend and to vote thereat by proxy the Common Shares held by them.

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

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

Name of Shareholder	Number of Common Shares <sup>(1)(2)(3)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Keith Barron <sup>(3)</sup>	19,621,029	48.29%

Notes:

- (1) The information regarding Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder listed above.
- (2) On a non-diluted basis.
- (3) 17,856,546 of the Common Shares noted above are held by Bambazonke Holdings Ltd., a company controlled by Dr. Keith Barron.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s Chief Executive Officer (“CEO”), President, Chief Financial Officer (“CFO”), and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Company whose total compensation was individually equal to more than \$150,000 (the “NEOs” or “Named Executive Officers”), during the Company’s most recently complete financial year, being the financial year ended December 31, 2019 (the “Last Financial Year”). The NEOs of the Company during the Last Financial Year were Dr. Keith Barron, the Company’s CEO and Executive Chairman, Dr. Richard Spencer, the Company’s President, Donna McLean, the Company’s former CFO who acted in this role until April 22, 2019, Tony Wood the Company’s CFO who replaced in this position Ms. McLean in May 2019 and Mr. Jean Paul Pallier, the Company’s Vice President – Exploration (“VPX”).

### Compensation, Nomination and Governance Committee (“NCG”)

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

All proposed NCG members have direct or indirect experience that is relevant to their responsibilities in executive compensation, as outlined below. As current or former senior executive officers, each member of the NCG has developed skills and experience in executive compensation issues which enable them as a group to make decisions on the suitability of the Company’s compensation policies and practices.

**Leanne Baker** - Dr. Baker has been a consultant to the metals and mining industry since 2002. She is a director of Agnico Eagle Mines Ltd., Reunion Gold Corporation and McEwen Mining Inc. Previously, Dr. Baker was employed by Salomon Smith Barney where she was one of the top-ranked mining sector equity analysts in the United States. Dr. Baker is a graduate of the Colorado School of Mines (M.Sc. and Ph.D. in Mineral Economics).

**Alfred Lenarciak** – Mr. Lenarciak is a published author of seven books in the USA since 2014, and his books have been distributed in over 40 countries. He is a civil and mining engineer with over 25 years of experience in financing and strategic development of resource companies in North and South America, Africa, Europe and Asia. Between 1992 and 2014, Mr. Lenarciak served on the board of directors of more than a dozen TSX-listed companies including Williams Resources, Minorca Resources Inc, Dayton Mining, McWatters Mining Inc, Unigold Inc. and Centurion Minerals.

**Jonathan Kagan** – Mr. Kagan has over 30 years of experience as an investment banker and is currently managing partner of Corporate Partners, LLC. Mr. Kagan began his career in the investment banking division of Lazard in 1980 and became General Partner in 1987. Mr. Kagan has served on a number of NYSE and NASDAQ-listed companies, as well as private companies, where he helped determine compensation for the officers and directors.

**Warren Gilman** – Mr. Gilman was Chairman and CEO of CEF Holdings from 2011 to 2019. Prior to his tenure at CEF Holdings, Mr. Gilman was Vice Chairman of CIBC World Markets. Mr. Gilman has also served as Managing Director and Head of Asia Pacific Region for CIBC for 10 years where he was responsible for all of CIBC's activities across Asia. Mr. Gilman has acted as advisor to the largest mining companies in the world including BHP, Rio Tinto, Anglo American, Noranda, Falconbridge, Meridian Gold, China Minmetals, Jinchuan and Zijin and has been responsible for some of the largest equity capital market financings in Canadian mining history.

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

### Compensation Process

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

The NCG reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Company's incentive stock option plan (the "**Option Plan**") originally adopted by the Board on February 15, 2011 and amended on November 15, 2017, with the amendment having been ratified and approved by Shareholders at the annual and special meeting of Shareholders held on June 20, 2019 (the "**2019 Meeting**") and recommends compensation packages for NEOs. The NCG's recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

### Principles and Objectives of the Compensation Program

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

### Compensation Program Design and Analysis of Compensation Decisions

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

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

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

### **Performance and Compensation**

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

#### **Base Salaries and Consulting Fees**

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

During the Last Financial Year, the Following arrangements in respect of NEOs involving base salaries were in place:

On May 26, 2017, pursuant to a consulting agreement, Richard M. Spencer was appointed as the Company’s President. From that date until December 31, 2019, the President’s annual base fee, for 50% of his time, was \$150,000. From January 1, 2020 the part-time consulting contract was superseded by a full-time employment contract with a \$250,000 annual salary.

The Company’s CFO, Donna McLean, who resigned in April 2019 was compensated with an annual base fee of \$75,000, for 50% of her time. From January 1, 2013 to July 31, 2017, Ms. McLean was compensated with an annual base fee of \$60,000. From May 2020, Tony Wood assumed the responsibilities of CFO and was paid a consulting fee of \$12,500 per month for 50% of his time until January 31, 2020. From February 1, 2020, the part-time consulting contract was superseded by a full-time employment contract with a \$240,000 annual salary. Jean Paul Pallier was appointed as the Company’s VPX on November 2, 2017, after having provided technical consulting services to the Company since 2009. The Company’s VPX is contracted through the Company’s Ecuadorian subsidiary, Ecuasolidus, SA. (“ESA”). The VPX contract stipulates an annual salary of US\$124,188, plus benefits.

#### **Stock Options and RSUs**

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

outstanding Common Shares in determining whether to make any new grants of Options and/or RSUs and the size of such grants. Based on the foregoing factors, the Board granted 1,455,000 Options and 122,700 RSUs.

### Compensation Risk Considerations

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

Base salaries are fixed in amount and thus do not encourage risk-taking. While annual incentive awards focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company is focused on instilling a long-term view in its employees and consultants to encourage long-term value creation through the discovery of quality mineral deposits. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEOs. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the NCG) 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 by the Option and RSU plans and the distribution of funds to the NEOs is at the discretion of the NCG.

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

Table 3 provides information for the Last Financial Year and the years ended December 31, 2019 and 2018 regarding compensation earned by each of the following NEOs.

**Table 3: Summary Compensation Table for NEOs.**

Name and principal position	Year Ended Dec 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)(2)(3)(4)(5)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Keith Barron <sup>(4)</sup> <i>Chairman and CEO</i>	2019	Nil	Nil	39,217	N/A	N/A	N/A	15,000	54,217
	2018	Nil	Nil	602,706	N/A	N/A	N/A	15,000	617,706
	2017	Nil	Nil	Nil	N/A	N/A	N/A	15,000	15,000
Richard Spencer <sup>(1)(2)(3)(5)(6)</sup> <i>President</i>	2019	150,000	Nil	39,217	N/A	N/A	N/A	15,000	273,387
	2018	150,000	Nil	108,387	N/A	N/A	N/A	15,000	273,387
	2017	90,000	Nil	340,842	N/A	N/A	N/A	10,125	440,967
Donna McLean <sup>(2)(7)</sup> <i>CFO and Corporate Secretary</i>	2019	75,000	Nil	Nil	N/A	N/A	N/A	Nil	75,000
	2018	75,000	Nil	Nil	N/A	N/A	N/A	Nil	75,000
	2017	66,250	Nil	56,400	N/A	N/A	N/A	25,000	147,650
Tony Wood <sup>(5)</sup> <i>CFO and Corporate Secretary</i>	2019	84,000	Nil	39,217	N/A	N/A	N/A	Nil	123,217
Jean Paul Pallier <sup>(2)(5)(8)(9)</sup> <i>VP Exploration</i>	2019	192,775	43,100	39,217	N/A	N/A	N/A	Nil	231,992
	2018	201,742	40,800	Nil	N/A	N/A	N/A	Nil	242,542
	2017	Nil	Nil	80,070	N/A	N/A	N/A	170,667	250,737

**Notes:**

- (1) On May 26, 2017, the Company granted a total of 150,000 Options to Dr. Richard Spencer, with an exercise price of \$2.30 and an expiry date of May 26, 2022. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.65% and an expected life of 5 years. The fair value assigned to these Options on the grant date was \$256,242.
- (2) On November 2, 2017, the Company granted a total of 370,000 Options to directors, officers and consultants, with an exercise price of \$2.00 and an expiry date of November 3, 2022 of which 60,000 Options were granted to Dr. Spencer, 50,000 Options were granted to Jean Paul Pallier and 40,000 to Ms. McLean. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 125%, a risk-free interest rate of 1.62% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$211,500.
- (3) On March 2, 2018, the Company granted a total of 250,000 Options to two directors and one consultant, with an exercise price of \$2.89 and an expiry date of March 2, 2023 of which 50,000 Options were granted to Dr. Spencer. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.1% and an expected life of 5 years. The fair value assigned to these Options on the grant date was 108,387. Volatility was based on the historical trading of the Company's shares.
- (4) On April 5, 2018, the Company granted a total of 300,000 options to Dr. Barron, with an exercise price of \$2.68 and an expiry date of April 5, 2023. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.03% and an expected life of 5 years. The fair value assigned to these Options on the grant date was \$602,706. Volatility was based on the historical trading of the Company's shares.
- (5) On October 24, 2019, the Company granted a total of 50,000 options to each of Dr. Barron, Dr. Spencer, Jean Paul Pallier and Tony Wood with an exercise price of \$2.70 and an expiry date of October 24, 2024. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2% and an expected life of 5 years. The fair value assigned to these Options on the grant date was \$196,085. Volatility was based on the historical trading of the Company's shares.

- (6) During the Last Financial Year, the Company paid \$150,000 in consulting fees to a management company controlled by Dr. Spencer. Dr. Spencer has been the President of the Company since May 26, 2017. During the financial year ending December 31, 2017, the Company paid \$96,750 in consulting fees to a management company controlled by Dr. Spencer. Included in the fees is a charge of \$6,750 for technical services provided to the Company by the spouse of the President, who is a Spanish-speaking, geographic information systems geoscientist. Her scope of work, to analyze historical records and capture relevant geographic information in a geographic information system for the purpose of defining the location of historic sites within the Lost Cities – Cutucu Project area, was issued by the Company’s CEO, and her invoice was reviewed and approved by the CEO. In addition, Dr. Spencer received \$3,375 in director’s fees covering the period from March 6, 2017, the date on which he was appointed to the Board, to the date on which he was appointed as an officer of the Company.
- (7) Ms. McLean was CFO of the Company from 2013 until she resigned on April 22, 2019 and was paid pursuant to an annual renewable consulting agreement. During the Last Financial Year, the Company paid base consulting fees of \$75,000 plus applicable taxes. In May 2019, Mr. Tony Wood assumed the responsibilities of CFO of the Company receiving a base consulting fee of \$12,000 per month, pursuant to a consulting agreement.
- (8) Mr. Pallier has been Chief Geologist to the Company since 2009 and was appointed VPX on November 02, 2017. During the Last Financial Year, a total of \$192,775 was charged to the Company on account of Mr. Pallier’s salary and government prescribed benefits deductions.
- (9) On November 2, 2018 and 2019, Mr. Pallier was entitled to 17,000 vested RSUs. The value of each RSU on the vesting date was \$2.40 and \$2.54 respectively, the closing prices of the Common Shares listed on the TSX Venture Exchange as of November 2, 2018 and 2019.

## **Incentive Plan Awards to NEOs**

### *Outstanding Share Awards and Option Awards*

Table 4 provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2019.

**Table 4. Summary of incentive plan awards for the Company’s NEOs outstanding as of December 31, 2019.**

Name	Option-based Awards				Share-based Awards	
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested <sup>(6)</sup> (\$)
Keith Barron <sup>(2)</sup>	50,000	2.70	October 24, 2024	67,000	N/A	N/A
	300,000	2.68	April 5, 2023	408,000	N/A	N/A
	100,000	0.60	July 11, 2021	344,000	N/A	N/A
Richard Spencer <sup>(3)</sup>	50,000	2.70	October 24, 2024	67,000	N/A	N/A
	150,000	2.30	May 26, 2022	261,000	N/A	N/A
	60,000	2.00	November 2, 2022	122,400	N/A	N/A
	50,000	2.89	March 2, 2023	57,500	N/A	N/A
Donna McLean <sup>(4)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
Tony Wood <sup>(4)(7)</sup>	180,000	3.40	January 16, 2024	115,200	N/A	N/A
	50,000	2.70	October 24, 2024	67,000	N/A	N/A
Jean Paul Pallier <sup>(5)</sup>	50,000	2.70	October 24, 2024	67,000	17,000	68,680
	50,000	2.00	November 2, 2022	102,000	34,000	95,200

**Note:**

- (1) Aggregate dollar amount of in-the-money unexercised options held as at December 31, 2019. This figure is computed based on the difference between the market value of the Common Shares on the TSX Venture Exchange as at December 31, 2019, and the exercise price of the option. The closing price of the Common Shares on the TSX Venture Exchange as of December 31, 2019, was \$4.04.
- (2) Dr. Barron was a director and a NEO of the Company during the financial year ended December 31, 2019. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).
- (3) Dr. Spencer was a director and a NEO of the Company during the financial year ended December 31, 2019. Any compensation received by Dr. Spencer in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).

- (4) Ms. McLean resigned from her position as CFO on April 22, 2019. Mr. Tony Wood assumed the role of CFO of the Company in May 2019. Compensation received by Ms. McLean or Mr. Wood in their capacity as CFO and Corporate Secretary of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).
- (5) Mr. Pallier served as the Company's VPX during the financial year ended December 31, 2019. Any compensation received by Mr. Pallier in his capacity as an officer of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).
- (6) Aggregate dollar value of the unvested RSUs as at December 31, 2019. The closing price of the Common Shares listed on the TSX Venture Exchange on December 31, 2019 was \$4.04.
- (7) Mr. Wood has been awarded 180,000 Options prior to his appointment as the Company's CFO in May of 2019 during his services to the Company as a consultant. The numbers of Options in this table reflects awards of options made prior to Mr. Wood becoming a CFO.

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

Table 5 provides information regarding the value vested or earned on incentive plan awards for each NEO during the year ended December 31, 2019.

**Table 5. Summary of the value vested or earned on incentive plan awards for the Company's NEOs outstanding as of December 31, 2019.**

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Keith Barron <sup>(4)(5)</sup>	92,000	Nil	Nil
Richard Spencer <sup>(2)(3)(6)(9)</sup>	76,500	Nil	Nil
Donna McLean <sup>(2)(7)</sup>	12,000	Nil	Nil
Tony Wood <sup>(9)</sup>	Nil	Nil	Nil
Jean Paul Pallier <sup>(2)(7)(9)</sup>	15,000	43,180 <sup>(9)</sup>	Nil

**Notes:**

- (1) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested options multiplied by the number of vested Options. The Options granted on May 26, 2017 (150,000 granted to Richard Spencer), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$2.30 and the closing price of the Common Shares on the TSX Venture Exchange on May 26, 2019, the last day of trading before the vesting date, was \$3.47.
- (2) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested options multiplied by the number of vested Options. The Options granted on November 2, 2017 (60,000 granted to Richard Spencer, 40,000 to Donna McLean and 50,000 to Jean Paul Pallier), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price is \$2.00 and the closing price of the Common Shares on the TSX Venture Exchange on November 2, 2019 was \$2.90.
- (3) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested Options multiplied by the number of vested options. The Options granted on March 2, 2018 (50,000 granted to Richard Spencer), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. On March 2, 2019, the exercise price was \$2.89 and the closing price of the Common Shares on the TSX Venture Exchange was \$2.68.
- (4) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested Options multiplied by the number of vested Options. The Options granted on April 5, 2018 (300,000 granted to Keith Barron), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. On April 5, 2019, the exercise price was \$2.68 and the closing price of the Common Shares on the TSX Venture Exchange was \$3.60.
- (5) Dr. Barron was a director and CEO of the Company during the financial year ended December 31, 2019. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).
- (6) Dr. Spencer was a director and CEO of the Company during the financial year ended December 31, 2019. Any compensation received by Dr. Spencer in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs (Table 3).
- (7) Ms. McLean resigned from her position as CFO of the Company on April 22, 2019. Mr. Tony Wood assumed the responsibilities of CFO on April 22, 2019.
- (8) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date (November 2, 2019), which was \$2.54. Mr. Pallier received 17,000 vested RSUs on November 2, 2019 as part of 51,000 RSUs granted to him on November 2, 2017. 17,000 RSUs remain unvested as of the date hereof.
- (9) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested options multiplied by the number of vested Options. The Options granted, on October 24, 2019 (50,000 granted to Richard Spencer,

50,000 to Tony Wood and 50,000 to Jean Paul Pallier), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price is \$2.70 and the closing price of the Common Shares on the TSX Venture Exchange on October 24, 2019 was \$2.55.

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

The outstanding Options-based awards referenced above were issued pursuant to the Company's Option Plan.

### **Pension Plan Benefits**

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

### **Termination and Change of Control Benefits**

#### Employment Agreements

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

#### *Keith Barron, Chief Executive Officer*

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

#### *Richard Spencer, President*

Pursuant to a part-time consulting contract, that ended on December 31, 2019, if terminated, Dr. Spencer would receive a three-month notice period, for which he would be paid a pro rata proportion for any time not worked during the notice period at the Company's request. In the event of termination by the Company, other than for cause, he would also receive a lump-sum cash payment equal to three months of monthly retainer fee. In the event of termination due to a change of control, the term of Dr. Spencer's contract would be extended to the later of the end of his contract or two years from the date on which the change of control occurs. If Dr. Spencer's contract was terminated, or Dr. Spencer terminates the agreement for good reason, within the 12 months following a change of control, he would have been entitled to a payment of \$300,000, 50% of which would be due on the date of termination and the remainder within six months following the initial termination payment. In addition, any unvested options would vest immediately and remain exercisable for 90 days following the date of termination.

From January 1, 2020 Dr. Spencer entered into a full-time employment agreement. In the event that his employment is terminated by the Corporation without just cause then the Corporation shall pay a lump sum equal to 12 months' salary, increasing by one month's salary per completed year of service hereunder to a maximum of 24 months' salary. If, at any time within twelve months following a change of control, he ceases to be an employee of the Corporation for any reason whatsoever other than for just cause then he shall be entitled to a lump sum payment equal to two years' base salary and two times the average bonus from the preceding two years, and all remaining unexercised stock options granted to him will vest immediately.

#### *Donna McLean, Chief Financial Officer until April 22, 2019*

Early termination of Ms. McLean's agreement required 90 days' written notice by either the Ms. McLean or the Company.

#### *Tony Wood, Chief Financial Officer from May 2019*

Until February 1, 2020, Mr. Wood was remunerated pursuant to a consulting contract with a 30-day notice provision. Pursuant to a full-time employment agreement, entered into on February 1, 2020, in the event that his employment is terminated by the Corporation without just cause then the Corporation shall pay a lump sum equal to 12 months' salary, increasing by one month's salary per completed year of service hereunder to a maximum of 24 months' salary. If, at any time within twelve months following a change of control, he ceases to be an employee of the Corporation for any reason whatsoever other than for just cause then he shall be entitled to a lump sum payment equal to two years'

base salary and two times the average bonus from the preceding two years, and all remaining unexercised stock options granted to him will vest immediately.

*Jean Paul Pallier, Vice President, Exploration*

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

### **Director Compensation**

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

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

Directors may receive Option and RSU grants as determined by the Board in accordance with the applicable incentive compensation plan. The exercise price of Options or RSUs 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 Option grant, less any permissible discounts pursuant to the terms of the applicable incentive compensation plan and the policies of the TSX Venture Exchange (the "TSX-V").

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

**Table 6. Summary of the total compensation paid to each of the Company's directors who are not NEOs in the year ending December 31, 2019.**

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Alfred Lenarciak <sup>(2)</sup>	7,500	Nil	39,217	Nil	Nil	Nil	46,717
Leanne Baker <sup>(2)</sup>	7,500	Nil	156,868	Nil	Nil	Nil	164,368
Warren Gilman <sup>(2)</sup>	7,500	Nil	156,868	Nil	Nil	Nil	164,368
Jonathan Kagan <sup>(2)</sup>	7,500	Nil	156,868	Nil	Nil	Nil	164,368
Elaine Ellingham <sup>(1)</sup>	7,500	Nil	Nil	Nil	Nil	Nil	15,000
Gerald Harper <sup>(1)</sup>	7,500	Nil	Nil	Nil	Nil	Nil	15,000
Marvin Kaiser <sup>(1)</sup>	7,500	Nil	Nil	Nil	Nil	Nil	15,000

Notes

- 1) Messrs. Marvin Kaiser and Gerald Harper and Ms. Elaine Ellingham did not stand for re-election at the 2019 Meeting; they received their compensation for their service to the Company for the period between the start of the Last Financial Year and the date of the 2019 Meeting.
- 2) On October 24, 2019, the Company granted a total of 650,000 Options; 50,000 to Mr. Lenarciak and 200,000 to each of Dr. Baker, Mr. Gilman and Mr. Kagan. These Options have an exercise price of \$2.70 and expiry date of October 24, 2024. The fair value of these Options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2% and an expected life of 5 years. The fair value assigned to these options on the grant date was \$509,821. Volatility was based on the historical trading of the Company's shares.

**Incentive Plan Awards to Directors**

*Outstanding Share Awards and Option Awards*

Table 7 provides information regarding the incentive plan awards for each of the Company's directors (who are not NEOs) outstanding as of December 31, 2019.

**Table 7. Summary of incentive plan awards for each of the Company's directors who are not NEOs as of December 31, 2019.**

Name <sup>(1)</sup>	Option-based Awards				Share-based Awards	
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Leanne Baker	200,000	2.70	October 24, 2024	268,000	N/A	N/A
Warren Gilman	200,000	2.70	October 24, 2024	268,000	N/A	N/A
Jonathan Kagan	200,000	2.70	October 24, 2024	268,000	N/A	N/A
Alfred Lenarciak	50,000	2.70	October 24, 2024	67,000	N/A	N/A

Notes:

- (1) Aggregate dollar amount of in-the-money unexercised vested options held as at December 31, 2019. This figure is computed based on the difference between the market value of the Common Shares on the TSX-V as at December 31, 2019, and the exercise price of the option. The closing price of the Common Shares on the TSX-V on December 31, 2019 was \$4.04.

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

Table 8 provides information regarding the value vested or earned on incentive plan awards for each of the Company's directors (who are not NEOs) during the year ended December 31, 2019.

**Table 8. Summary of the value vested or earned on incentive plan awards for directors of the Company during the year ended December 31, 2019.**

Name	Option-based awards – Value vested during the year <sup>(1)(2)(3)</sup> (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Leanne Baker	Nil	Nil	Nil
Warren Gilman	Nil	Nil	Nil
Jonathan Kagan	Nil	Nil	Nil
Alfred Lenarciak	Nil	Nil	Nil

Notes:

- (1) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested Options multiplied by the number of vested Options. 150,000 Options granted on March 2, 2017 to Mr. Lenarciak, vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$2.89 and the closing price of the Common Shares on the TSX-V on March 2, 2019, was \$2.68.
- (2) Calculated based on the closing price of the Common Shares on the TSX-V at the vesting date less the exercise price of the vested Options multiplied by the number of vested Options. The Options granted on October 24, 2019 (50,000 Options to Mr. Lenarciak and 200,000 to each of Dr. Baker, Mr. Gilman and Mr. Kagan), vest one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The exercise price was \$2.70 and the closing price of the Common Shares on the TSX-V on October 24, 2019, was \$2.55.

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

The outstanding Options-based awards referenced above were issued pursuant to the Option Plan

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

### **10% Rolling Stock Option Plan**

The Company adopted an Option Plan on February 15, 2011. On November 15, 2017 the Option Plan was amended and approved by the Shareholders at the 2019 Meeting. As of the date of this Circular, the Company has 2,806,260 Options outstanding to purchase Common Shares.

The Option Plan is a “rolling” stock option plan and therefore no Options shall be granted under the Option Plan if such grant could result, at any time, in a number of Common Shares reserved for issuance pursuant to the Options granted that exceeds 10% of the issued and outstanding Common Shares as of the date of the grant.

The Option Plan is administered by the Board or an underlying committee as so appointed by the Board. The purpose of the Option Plan is to attract, retain and motivate certain directors, officer, employees, service providers, consultants or management company employees/consultants of the Company (the “**Eligible Persons**”) and to advance the interests of the Company by providing such persons with the opportunity, through Options, to acquire an increased proprietary interest in the Company. The Board or an underlying committee determines to whom Options are to be granted, the terms and provisions of the respective Option agreements, the time or times at which such Options shall be granted, the dates such Options become exercisable, the number of Common Shares subject to each Option, and the purchase price of such Common Shares. All other questions relating to the administration of the Option Plan and the interpretation of the provisions thereof and of the related Option agreements are resolved by the Board or an underlying committee. Currently, the NCG and the Board administer the Option Plan.

The TSX-V policies relating to security-based compensation arrangements require that a majority of Shareholders must approve all unallocated Options every year after the institution of any security-based compensation arrangement that does not have a fixed maximum aggregate of issuable securities. Accordingly, Shareholders will be asked at the Meeting to approve the unallocated Options for the upcoming year.

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

- (a) The aggregate number of Common Shares reserved for issuance pursuant to Options and Restricted Stock Units (“**RSU**”) granted to insiders of the Company, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested Shareholder approval is obtained.
- (b) The aggregate number of Common Shares reserved for issuance pursuant to Options or RSUs granted to any one person or entity within any 12-month period shall not exceed 5% of the total number of Common Shares on a non-diluted basis then outstanding, unless disinterested Shareholder approval is obtained.
- (c) The aggregate maximum number of Common Shares available for issuance from treasury under the Option Plan at any given time shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) or such other number as may be approved by the TSX-V, from time to time. Any Common Shares subject to an Option which has been granted under the Option Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Option Plan without having been exercised, will again be available under the Option Plan.
- (d) 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 the last closing price of the Common Shares on the TSX-V;
- (e) 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 Option Plan will vest immediately on the date of grant.
- (f) In the event an optionee ceases to be eligible for the grant of Options under the Option 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 Option Plan, or for a longer period as determined by the Board, provided that no Option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such Option; and (ii) 12 months following the date such person ceases to be eligible under the Option Plan.
- (g) In the event of a Change of Control (as defined in the Option Plan), all Options granted to optionees shall be immediately exercisable for 90 days thereafter, subject to Section 9.1 of the Option Plan.

The full text of the Option Plan is attached as Schedule “A” to the Circular.

### **Restricted Stock Unit Plan**

On June 13, 2018, Shareholders approved the Restricted Stock Unit Plan (the “**RSU Plan**”), a copy of which is attached hereto as Schedule “B”. The purpose of the RSU Plan is to advance the interests of the Company and its subsidiaries by: (i) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability; (ii) allowing certain executive officers, directors, and key employees of the Company and its subsidiaries to participate in the long term success of the Company, and (iii) promoting a greater alignment of interests between the executive officers and key employees designated under the RSU Plan and the Shareholders. The RSU Plan is available to directors, officers, employees and consultants which are collectively referred to in the RSU Plan as “Service Providers” of the Company, as determined by the Board (the “**Eligible Grantees**”). On November 2, 2017 and then on October 24, 2019 the Company granted 124,500 and 122,700 RSUs respectively to officers, employees

and consultants. As of the date of this Circular, 24,000 RSUs had been cancelled and 33,500 RSUs were settled in Common Shares, leaving a total of 189,700 unvested RSUs issued and outstanding.

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

- (a) The Company is authorized to issue up to 2,275,973 RSUs pursuant to the RSU Plan.
- (b) The total number of Common Shares issuable to insiders under the Option Plan and the RSU Plan, at any time or in any one-year period, shall not exceed 10% of the issued and outstanding Common Shares of the Company.
- (c) The total number of Common Shares issuable to any person within any one-year period under the RSU Plan shall not exceed 1% of the issued and outstanding Common Shares of the Company.
- (d) The total number of Common Shares issuable to all persons within any one-year period under the RSU Plan shall not exceed 2% percent of the issued and outstanding Common Shares of the Company.
- (e) Neither awards nor any rights under any such awards shall be assignable or transferable. If any Common Shares covered by an award are forfeited, or if an award terminates without delivery of any Common Shares subject thereto, then the number of Common Shares counted against the aggregate number of Common Shares available under the RSU Plan with respect to such award shall, to the extent of any such forfeiture or termination, again be available for making awards under the RSU Plan.
- (f) The RSU Plan shall terminate automatically after ten years from the date initially approved by the Board (April 25, 2017) and may be terminated on any earlier date or extended by the Board.

The Board may at any time, in its sole discretion, amend, suspend, terminate or discontinue the RSU Plan and may amend the terms and conditions of any awards thereunder, subject to (a) any required approval of any applicable regulatory authority or the TSX-V, and (b) approval of Shareholders, provided that Shareholder approval shall not be required for the following amendments and the Board may make changes which may include but are not limited to: (i) amendments of a 'housekeeping nature'; (ii) changes to vesting provisions; (iii) changes to the term of the RSU Plan or awards made under the RSU Plan; or (iv) changes to performance criteria term. The Board may amend, modify, or supplement the terms of any outstanding award.

The full text of the RSU Plan is attached as Schedule "B" to the Circular.

### Restricted Stock Units

The RSU Plan provides that the Board of the Company may, from time to time, in its sole discretion, grant awards of RSUs to Eligible Grantees. Each RSU shall represent the right to receive one Common Share, subject to the restrictions and vesting provisions provided in the RSU Plan. The Board may, in its sole discretion, establish a period of time (a "**Vesting Period**") applicable to such RSUs. Each award of RSUs may be subject to a different Vesting Period. The Board may, in its sole discretion, prescribe restrictions in addition to or other than the expiration of the Vesting Period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the RSUs. Notwithstanding the foregoing, (a) RSUs that vest solely by the passage of time shall not vest in full in less than three (3) years from the grant date; (b) RSUs for which vesting may be accelerated by achieving performance targets shall not vest in full in less than one (1) year from the grant date; and (c) RSUs granted to outside directors vest, (i) at the election of an outside director at the time the award is granted, within a minimum of one (1) year to a maximum of three (3) years following the grant date, as such outside director may elect, and (ii) if no election is made, upon the earlier of a Change of Control (as such term is defined in the RSU Plan) or his or her resignation from the Board.

Restrictions on any RSUs shall lapse immediately and become fully vested in the Eligible Grantee upon a Change of Control. If an Eligible Grantee's employment is terminated with cause, the Company may, within 30 days, annul

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

### **Equity Compensation Plans Information**

Table 9 provides details of the equity securities of the Company authorized for issuance as of December 31, 2019, pursuant to the Company's equity compensation plans currently in place.

**Table 9. List of the equity securities of the Company authorized for issuance as of December 31, 2019, pursuant to the Company's equity compensation plans 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	3,095,960	\$2.31 <sup>(3)</sup>	737,376
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>3,095,960<sup>(2)</sup></b>	<b>\$2.31</b>	<b>737,376</b>

**Notes:**

- (1) As at December 31, 2019, a total of 3,833,336 Options were issuable pursuant to the Option Plan, representing 10% of the issued and outstanding Common Shares. A total of 2,275,973 RSUs are issuable pursuant to the RSU Plan, representing 5.9% of the issued and outstanding Common Shares as at December 31, 2019. As at December 31, 2019, 189,700 RSUs are issued and outstanding to Eligible Grantees, representing 0.49% of the issued and outstanding Common Shares of the Company. As at December 31, 2019 a total of 2,086,273 RSUs remain available for future issuance.
- (2) Representing approximately 8.1% of the issued and outstanding Common Shares as at December 31, 2019.
- (3) As at December 31, 2019, the Company issued 2,906,260 Options with a weighted average exercise price of \$2.41, carrying an estimated value of \$3,465,234. As at December 31, 2019, the Company had 189,700 RSUs issued and outstanding carrying an estimated value of \$143,171. The RSUs outstanding do not carry a weighted-average exercise price.

## **MATTERS TO BE ACTED UPON**

### **1. Appointment of Auditors**

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

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of McGovern Hurley as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

### **2. Election of Directors**

At the Meeting, the following six (6) persons named hereunder will be proposed for election as directors of the Company. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place

of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Majority Voting for Directors

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

Nominees

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

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

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

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 Barron <sup>(4)</sup> <i>Valais, Switzerland</i>	July 2, 2007	Geologist, Executive Chairman and CEO of the Company. Founder & Director of U3O8 Corp. since 2005; CEO since 2017 and Chairman of Firestone Ventures Inc. since 2010	19,621,029

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>
Alfred Lenarciak <sup>(2)(3)(4)</sup> <i>Bahamas</i>	June 13, 2018	Author; published 7 books in the USA since 2014; distributed in over 40 countries; Civil and Mining Engineer with 25+ years of experience in financing and strategic development of resource companies in North and South America, Africa, Europe and Asia.	39,000
Richard Spencer <i>Ontario, Canada</i>	March 6, 2017	Geologist; President Aurania Resources since May 26, 2017; President and CEO of U3O8 Corp. since January 2008; Director of Firestone Ventures Inc. since November 2017.	27,875
Warren Gilman <sup>(2)(4)</sup> <i>Hong Kong, China</i>	June 20, 2019	Chairman and CEO of CEF Holdings from 2011 to 2019; Director of NexGen Energy Ltd from July 2017 to Present; Mining Engineer.	Nil
Jonathan Kagan <sup>(2)</sup> <i>New York, USA</i>	June 20, 2019	Managing Principal of Corporate Partners from 2005 to Present; Chairman and Director of Mapleton Radio since 2006; Investment Banker.	20,000
Leanne Baker <sup>(2)(4)</sup>	June 20, 2019	Consultant to the metals and mining industry since 2002. Director of; Reunion Gold Corporation since 2004 to present; Agnico Eagle since 2003 to present and McEwan Mining since 2002 to present. Ms. Baker was previously employed by Salomon Smith Barney as equity analyst in the mining sector. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics).	Nil

**Notes:**

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit Committee, Chairperson is Jonathan Kagan. Member of the NCG, Chairperson Leanne Baker.
- (3) Lead director, appointed by the Board on March 4, 2020
- (4) Member of the Safety, Environment and Social Responsibility Committee. Keith Barron is the Chairperson.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 19,707,904 Common Shares, representing approximately 48.5% of the issued and outstanding Common Shares as of the date hereof.

*Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

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

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

No individual set forth in Table 10 (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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

No individual set forth in Table 10 (or any personal holding company of any such individual) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

As of the date hereof, Options to purchase a total of 2,806,260 Common Shares have been issued to directors, officers, employees and consultants of the Company and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Option Plan is 1,067,158 (taking into account 189,700 RS U's issued and outstanding as at the date hereof). For a brief description of the Option Plan, please see: "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".

The full text of the Option Plan is attached hereto as Schedule "A"

### **3. Approval of Option Plan for Upcoming Year**

The TSX-V requires all listed companies with a 10% rolling incentive stock option plan, like the Company's Option Plan, to obtain annual shareholder approval of the current incentive stock option plans for the upcoming year. Accordingly, Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the Option Plan for the ensuing year.

**The Board recommends that Shareholders vote FOR the approval of the Option Plan for the ensuing year.**

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the approval of the Option Plan for the ensuing year, the persons named in the accompanying proxy will vote FOR the approval of the Option Plan for the ensuing year. To be adopted, this resolution requires a simple majority (50% plus one) of votes of Shareholders at the Meeting.**

### **5. Other Matters**

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

## **STATEMENT OF CORPORATE GOVERNANCE**

### **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board

believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

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

The Board is currently comprised of six (6) directors being Keith Barron, Leanne Baker, Alfred Lenarciak, Warren Gilman, Jonathan Kagan and Richard Spencer. Following the election of the nominated directors, Dr. Baker and Messrs. Gilman, Kagan and Lenarciak will be independent within the meaning of NI 58-101. Drs. Barron and Spencer are not independent as they are executive officers of the Company and thereby have a “material relationship” with the Company.

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

### **Other Public Company Directorships**

The following members of the Board currently hold directorships in other reporting issuers as set forth in Table 11.

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

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Keith Barron	U3O8 Corp.	TSX-V
	Firestone Ventures Inc.	TSX-V
Richard Spencer	U3O8 Corp.	TSX-V
	Firestone Ventures Inc.	TSX-V
Alfred Lenarciak	N/A	N/A
Warren Gilman	NexGen Energy Ltd.	TSX, NYSE
	Chaarat Gold Holdings Limited	LSE
Jonathan Kagan	N/A	N/A
Leanne Baker	Agnico Eagle Mines limited	TSX, NYSE
	McEwan Mining Inc.	TSX, NYSE
	Reunion Gold Corporation	TSX-V

### **Orientation and Continuing Education of Board Members**

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

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

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

### **Code of Business Conduct and Ethics**

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

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

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

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

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

### **Nomination of Directors**

The NCG holds the responsibility for the appointment and assessment of directors.

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

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

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

The NCG 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 NCG, 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 NCG 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 NCG may recommend to the Board a member to fill such vacancy. The NCG 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 NCG monitors on a continuing basis and, whenever considered appropriate, makes recommendations to the Board concerning the corporate governance of the Company.

### **Compensation**

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

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

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

### **Safety, Environment and Social Responsibility (SES)**

The Company's core values include respect, integrity and a commitment to the protection of life, health and the environment for present and future generations. The main purpose of the **SES Committee** is to review, monitor and make recommendations to the Board in respect of the health and safety, environmental, community, business conduct, risk management, corporate social responsibilities policies, programs and management procedures of the Company and its subsidiaries in order to verify that such policies and activities reflect, and are in accordance with, the Company's core values.

Additionally, the SES Committee will assist the Board in carrying out its responsibilities with respect to overseeing the exploration and operating activities of the Company with respect to the Company's mineral projects, including the Lost Cities – Cutucu Project, from a technical, financial, budgeting and scheduling perspective.

The SES Committee may review or investigate any activities of the Company relating to health and safety, environmental, community relations, business conduct and corporate social responsibility and will have unrestricted access to any officers and employees of the Company, the independent auditors, consultants and advisors at reasonable costs, and such information and resources as the SES Committee considers necessary in order to perform its duties and responsibilities. The SES will communicate directly with the independent auditors of the Company.

The areas of responsibility of the SES Committee include:

- **Corporate Social Responsibility**: The Company is committed to the respect of communities directly impacted by its activities, and to the overall health and safety of its stakeholders, its employees and their families. The Company believes that a safe and healthy workplace is a moral imperative reflecting the Company's respect for the individual. The Company is committed to the protection of the environment through the responsible stewardship of its properties. Protection of the environment is essential to the health of the communities and resources upon which the Company relies, and is beneficial to, the Company and its stakeholders.
- **Health and Safety**: The SES Committee's responsibilities with respect to safety and health matters shall include reviewing and making recommendations, as appropriate, regarding the Company's safety and health program, including corporate occupational health and safety policies and procedures. It shall also satisfy itself that management of the Company monitors trends and reviews current and emerging issues in the safety and health field and evaluates their potential impact on the Company.

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

### **Other Board Committees**

The Board has also established a Disclosure Committee. The Disclosure Committee will meet as conditions dictate and is kept fully apprised of all pending material developments of the Company in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. On March 4, 2020, the Board adopted the Company's corporate governance manual dated February 21, 2020 (the "**Corporate Governance Manual**"). The Corporate Governance Manual contains: the Charter of the Board of Directors, the Charter of the Audit Committee (the text of which is reproduced in Schedule "C" to this Circular), the Charter of the SES Committee; the Charter of the NCG, the Code of Business Conduct and Ethics, and the Whistleblower Policy of the Company. The full text of the Corporate Governance Manual is available upon written request from the CEO or CFO of the Company.

### **Assessments**

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

## **AUDIT COMMITTEE INFORMATION**

### **The Audit Committee's Charter**

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

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

Following the election of directors, the anticipated members of the Audit Committee are Jonathan Kagan (Chairman), Warren Gilman and Alfred Lenarciak (Table 12). All of the anticipated members of the Audit Committee are independent as they are not executive officers, employees or control persons of the company, consistent with the requirements for venture issuers under Section 6.1.1(3) of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") adopted by the Canadian Securities Administrators.

**Table 12. Details of members of the Company’s Audit Committee.**

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Jonathan Kagan	Yes	Yes
Warren Gilman	Yes	Yes
Alfred Lenarciak	Yes	Yes
Leanne Baker	Yes	Yes

**Notes:**

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

**Relevant Education and Experience**

**Leanne Baker** – Dr. Baker is the Chair of the NCG. She has been a consultant to the mining and financial services industry since 2002 and served as President and CEO of Sutter Gold Mining Inc until 2013 and is currently a director of; Reunion Gold Corporation since 2004 to present; Agnico Eagle since 2003 to present and McEwan Mining since 2002 to present. Ms. Baker was previously employed by Salomon Smith Barney as equity analyst in the mining sector. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics).

**Jonathan Kagan** – Mr. Kagan is the Chair of the Audit Committee. Mr. Kagan has over 30 years’ experience as an investment banker and is currently managing partner of Corporate Partners, LLC. Mr. Kagan began his career in the investment banking division of Lazard in 1980 and became General Partner in 1987. Mr. Kagan has served on a number of NYSE and NASDAQ-listed companies, as well as private companies.

**Alfred Lenarciak** – Mr. Lenarciak is a published author of seven books in the USA since 2014, and his books have been distributed in over 40 countries. He is a civil and mining engineer with over 25 years of experience in financing and strategic development of resource companies in North and South America, Africa, Europe and Asia.

**Warren Gilman** – Mr. Gilman was Chairman and CEO of CEF Holdings from 2011 to 2019. Prior to his tenure at CEF Holdings, Mr. Gilman was Vice Chairman of CIBC World Markets. Mr. Gilman has also served as Managing Director and Head of Asia Pacific Region for CIBC for 10 years where he was responsible for all of CIBC’s activities across Asia. Mr. Gilman is a mining engineer who co-founded CIBC’s Global Mining Group in 1988. Mr. Gilman has acted as advisor to the largest mining companies in the world including BHP, Rio Tinto, Anglo American, Noranda, Falconbridge, Meridian Gold, China Minmetals, Jinchuan and Zijin and has been responsible for some of the largest equity capital markets financings in Canadian mining history.

**Audit Committee Oversight**

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

**Pre-Approval Policies and Procedures**

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

**External Auditor Services Fees (By Category)**

Table 13 discloses the fees billed to the Company by its external auditor during the last two completed financial years.

**Table 13. Summary of fees billed to the Company by its external auditor in the years ending December 31, 2019 and December 31, 2018.**

<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, 2019	\$59,890	\$2,998	\$2,000	Nil
December 31, 2018	\$34,300	Nil	\$2,000	Nil

Notes:

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

**Exemption**

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

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the year ended December 31, 2019, no director, executive officer or associate of any director or executive officer of the Company was indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as described below, the Company and management are not aware of any material interest, direct or indirect, of any informed person of the Company, or any associate or affiliate of any informed person” (as such term is defined in NI 51-102 or proposed nominee for election of directors of the Company, in any transaction or any proposed transaction since the commencement of the Last Financial Year which has materially affected or would materially affect the Company or any of its subsidiaries.

*Rights Offering 2019*

On March 8, 2019, the Company announced that it had completed a rights offering (“Rights Offering”) for \$5,254,665 with the issuance of 1,946,172 Common Shares at \$2.70 per share. In connection with the Rights Offering, the Company entered into a stand-by purchase agreement with Dr. Keith Barron, Chairman and Chief Executive Officer of the Company, for a commitment amount of \$4,000,000 (the “Stand-By Commitment”). As a result, Dr. Barron exercised his rights’ entitlement for the purchase of 1,385,790 Common Shares and purchased an additional 95,691 Common Shares from the ‘Additional’ shares pool, as agreed. Both the basic and additional shares were purchased for \$2.70 per share. In connection with the Stand-By Commitment for the Rights Offering, Dr. Barron did acquire 1,481,481 Common Shares.

*Promissory Note - Mineral Concessions Loan (“MCL”)*

On March 20, 2017, a company controlled by Keith Barron (the “Lender”) advanced US\$2,000,000 to ESA to facilitate the payment of the 2017 minerals concession fees, pursuant to an unsecured, promissory note loan. On May 29, 2017, the Company repaid US\$1,000,000 of the MCL1 from the proceeds of the private placement of its securities the company completed in 2017. On May 29, 2018, the Lender extended the maturity date of the MCL1 to May 29, 2019, and on January 28, 2019, the Lender agreed to further extend the maturity date of the MCL1 to May 29, 2020.

On April 2, 2018 Dr. Barron settled \$280,000 of MCL1 in consideration of exercising his 700,000 stock options of the Company, at \$0.40 per option. Accordingly, the Company issued 700,000 Common Shares to Dr. Barron in exchange for reducing the principal owing on MCL1 by US\$217,168 (\$280,000). On August 16, 2018, the Company repaid \$500,000 of MCL1 in cash.

During the period ended September 30, 2019, the accrued interest on the MCL1 is \$8,705 (year ended December 31, 2018 - \$19,247).

#### *Promissory Note April 2019*

On April 22, 2019, Dr. Barron, advanced US\$3,000,000 by way of a promissory note to the Company. The loan is unsecured, with a term of two years, bearing an interest rate of 2% per annum.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of this information circular, the Financial Statements and MD&A for the year ended December 31, 2019 may be directed to the Company's transfer agent, TSX Trust, toll-free by telephone at 1-866-600-5869 or via email at [TMXEInvestorservices@tmx.com](mailto:TMXEInvestorservices@tmx.com). Additional financial information is provided in the Financial Statements and MD&A for the year ended December 31, 2019 which is also available on SEDAR and the Company's website at [www.aurania.com](http://www.aurania.com).

### **APPROVAL**

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

#### **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Keith Barron*"

Keith Barron  
Chief Executive Officer, Executive Chairman and Director

**SCHEDULE “A”**  
**STOCK OPTION PLAN**

**[As amended November 15, 2017]**

1. Purpose of Plan

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

2. Defined Terms

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

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

- (b) activities or communications necessary to comply with the requirements of
    - (i) applicable securities laws, policies or regulations,
    - (ii) the rules, and regulations of the Exchange or the bylaws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
  - (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
    - (i) the communication is only through the newspaper, magazine or publication, and
    - (ii) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (d) the activities or communications that may be otherwise specified by the Exchange;
- 2.10 “**Issuer**” means Aurania Resources Ltd.
- 2.11 “**Listed Share**” means a share or other security that is listed on the Exchange.
- 2.12 “**Management Company Employee/Consultant**” means an individual employed/retained by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.
- 2.13 “**Market Price**” means the last closing price of the Corporation’s Listed Shares before either the issuance of the news release or the filing of the Price Reservation Form (Form 4A) required to fix the price at which the securities are to be issued or deemed to be issued (the “Notice of the Transaction”), except under the following circumstances, where applicable:
- (a) “*Consolidation Exception*” The Market Price is to be adjusted for any share consolidation or split. If the notice of the transaction is within 5 days following a consolidation of the Issuer’s share capital, the minimum price per share will be the greater of the Market Price, adjusted for any share consolidation or split, or \$0.05 for shares and \$0.10 for the exercise price of Warrants and incentive stock options;
  - (b) “*Material Information Exception*” If the Corporation announces Material Information regarding the affairs of the Issuer after providing notice of the transaction and if the Exchange determines that a party to the transaction should reasonably have been aware of that pending Material Information, then the Market Price will be at least equal to the closing price of the Listed Shares on the Trading Day after the day on which that Material Information was announced;
  - (c) “*Price Interference Exception*” If the Exchange determines that the closing price is not a fair reflection of the market for the Listed Shares and the Listed Shares appear to have been high-closed or low-closed, then the Exchange will determine the Market Price to be used;
  - (d) “*Suspension Exception*” If the Issuer is suspended from trading or has for any reason not traded for an extended period of time, the Exchange may determine the deemed Market Price to be used; and
  - (e) “*Minimum Price Exception*” The Exchange will not generally permit Listed Shares to be issued from treasury at a price less than \$0.05 nor will the Exchange generally permit any securities convertible into Listed Shares including incentive stock options and Warrants to be issued with an effective conversion price of less than \$0.10 per Listed Share.

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

### 3. Administration of the Plan

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

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

#### 4. Shares Subject to the Plan

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

#### 5. Eligibility; Grant; Terms of Options

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

in any 12 month period shall not exceed 2% of the Shares outstanding (on a non-diluted basis) from time to time.

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

## 6. Exercise of Options

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

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

## 7. Amendment Procedure

- 7.1 Where permissible, the Corporation retains the right to amend or terminate the terms and conditions of the Plan by resolution of the Board. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Options on the date of, and all Options granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Options it may apply to such outstanding Options only with the mutual consent of the Corporation and the Optionees to whom such Options have been granted. The Board shall have the power and authority to approve amendments relating to the Plan or to Options, without further approval of the shareholders of the Corporation, to the extent that such amendments relate to:
- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
  - (b) amending the termination provisions of an Option, which amendment shall include altering the expiry date of an Option in accordance with Article 8 for any reason acceptable to the Board in the circumstances where the Optionee has ceased to be an Eligible Person;
  - (c) determining adjustments pursuant to Article 9 hereof;
  - (d) amending the definitions contained within the Plan, including but not limited to the definition of "Eligible Person" under the Plan except as provided in Section 7.2(e);
  - (e) amending or modifying the mechanics of exercise of the Options as set forth in Article 6;
  - (f) effecting amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
  - (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
  - (h) effecting amendments respecting the administration of the Plan; and
  - (i) effecting amendments necessary to suspend or terminate the Plan.
- 7.2 Approval of the shareholders of the Corporation shall be required for the following types of amendments:
- (a) increasing the number of Shares issuable under the Plan, except such increase by operation of Section 4.1 and in the event of an adjustment contemplated by Article 9;
  - (b) amending the Plan which amendment could result in the aggregate number of Shares of the Corporation issued to Insiders within any one year period under the Plan together with any other security-based compensation arrangement, or issuable to Insiders at any time under the Plan together with any other security-based compensation arrangement, exceeding 10% of the issued and outstanding Shares;
  - (c) reducing the Option Price of the Option or cancelling the Option and replacing such Option with a lower Option Price under such replacement Option, subject to approval by disinterested shareholders, except as permitted pursuant to Article 9;
  - (d) an extension of the term of an option granted under the Plan benefiting an Insider;
  - (e) amending the listed categories contained in the definition of "Eligible Persons" hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;

- (f) amending Section 7.1 hereof and this Section 7.2; and
- (g) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

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

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

#### 8. Termination of Employment; Death

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

#### 9. Change in Control and Certain Adjustments

- 9.1 Notwithstanding any other provision of this Plan in the event of:
  - (j) the acquisition by any Person of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders; or
  - (k) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;then notwithstanding that at the effective time of such transaction the Optionee may not be entitled to all the Shares granted by the Option, the Optionee shall be entitled to exercise the Options to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.
- 9.2 Appropriate adjustments with respect to Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the

Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders of the Corporation and to acceptance by the Exchange respectively, if applicable.

#### 10. Miscellaneous Provisions

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

#### 11. Approval

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

[End of Plan.]

## SCHEDULE “B”

### RESTRICTED STOCK UNIT INCENTIVE PLAN

[as adopted by Shareholders on June 13, 2017]

Aurania Resources Ltd., a corporation incorporated under the laws of Bermuda (the “**Company**”), sets forth herein the terms of its Restricted Stock Unit Incentive Plan (the “**Plan**”), as follows:

#### **1. PURPOSE**

The Plan is intended to enhance the Company’s and its Affiliates’ (as defined herein) ability to attract and retain highly qualified officers, directors, key employees, consultants and other persons, and to motivate such officers, directors, key employees, consultants and other persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of restricted stock units. Any of these awards of restricted stock units may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof (as such performance goals are specified in the Award Agreement).

#### **2. DEFINITIONS**

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

**2.1** “**Affiliate**” means, with respect to the Company, any person or company if it is a Subsidiary entity of the other or if both are Subsidiary entities of the same person or company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

**2.2** “**Award**” means a grant of Restricted Stock Units under the Plan.

**2.3** “**Award Agreement**” means the written agreement between the Company and a Grantee that evidences and sets out the terms and conditions of an Award.

**2.4** “**Board**” means the Board of Directors of the Company.

**2.5** “**Cause**” means, as determined by the Board and unless otherwise provided in an applicable agreement with the Company or an Affiliate, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of a criminal offense; or (iii) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate.

**2.6** “**Change of Control**” means (i) a takeover bid for a sufficient number of Shares such that if such number of Shares are tendered into the bid and the bid closes, the bidder and all parties acting jointly or in concert with the bidder (the “**bid group**”) would have direction or control over more than 50% of the outstanding common shares of the Company, excluding the shares subject to the Plan, unless parties exercising control or direction over a blocking number of common shares of the Company have provided by the date (the “**blocking date**”) which is five business days before the initial expiry date of the bid, their written undertaking to all Grantees under the Plan not to tender into the bid, in the aggregate, at least a blocking number of Shares; “**blocking number**” means that number of common shares of the Company which, if withheld from being tendered into the bid and assuming no increase in the number of outstanding common shares of the Company, would result in the bidder not acquiring direction or control over more than 50% of the outstanding common shares of the Company immediately following

closing of the bid; (ii) a merger, consolidation, combination, reorganization or other transaction pursuant to which a party, or parties acting jointly and in concert, would acquire direction or control over more than 50% of the outstanding common shares of the Company or more than 50% of the votes attaching to all of the voting securities of any successor entity resulting from such transaction; (iii) a sale of all or substantially all of the assets of the Company determined on either a consolidated or a non-consolidated basis; or (iv) the election or appointment to the Board of a number of persons who represent a majority of the Board and who were not proposed or approved by a majority of the Board as previously constituted.

The effective date of a Change of Control is (a) for the purposes of (i), the date immediately following the blocking date; (b) for the purposes of (ii) and (iii), the date of the latest of shareholder, other stakeholder, Court or other required approval of the transaction; and for the purposes of (iv), the date of the shareholder resolution or other corporate action approving the election or appointment.

**2.7** “**Committee**” means the nominating and compensation committee the Board, and designated from time to time by resolution of, the Board, which shall be constituted as provided in Section 3.2.

**2.8** “**Company**” means Aurania Resources Ltd.

**2.9** “**Consultant**” means, in relation to the Company, an individual (other than an Employee or a Director of the Issuer) or company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
- (b) provides the services under a written contract between the Company or the Affiliate and the individual or the company, as the case may be;
  - (i) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (ii) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

**2.10** “**Director**” means a director, senior officer or Management Company Employee of the Company.

**2.11** “**Effective Date**” means April 25, 2017, the date the Plan is approved by the Board.

**2.12** “**Employee**” means:

- (a) an individual who is considered an employee of the Company or its Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for the Company or its Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company or its Subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is

subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

**2.13 “Fair Market Value”** means the value of a Share, determined as follows: if on the Grant Date or other determination date the Shares are listed on the TSX Venture Exchange or another established national or regional stock exchange or is publicly traded on an established securities market, the Fair Market Value of the Company’s Shares shall be the closing price of the Shares on such exchange or in such market (if there is more than one such exchange or market the Board shall determine the appropriate exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Shares is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Shares are not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of a Share as determined by the Board in good faith.

**2.14 “GAAP”** means, at any time, accounting principles generally accepted in Canada applying IFRS, including those set out in the Handbook of the Chartered Professional Accountants of Canada, at the relevant time applied on a consistent basis.

**2.15 “Grant Date”** means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 6 hereof, or (iii) such other date as may be specified by the Board.

**2.16 “Grantee”** means a person who receives or holds an Award under the Plan.

**2.17 “IFRS”** means International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.

**2.18 “Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.

**2.19 “Outside Director”** means a member of the Board who is not an officer or employee of the Company.

**2.20 “Plan”** means this Aurania Resources Ltd. Restricted Stock Unit Incentive Plan.

**2.21 “Restricted Stock Unit” or “RSU”** means a bookkeeping entry representing the right to receive one Share, subject to the restrictions and vesting provisions provided herein, and awarded to a Grantee pursuant to Section 8 hereof.

**2.22 “Securities Act”** means the *Securities Act* (Ontario), as now in effect or as hereafter amended.

**2.23 “Service”** means service of a Service Provider to the Company or an Affiliate. Unless otherwise stated in the applicable Award Agreement, a Grantee’s change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or an Affiliate. Subject to the preceding sentence, whether a termination of Service shall have occurred for purposes of the Plan shall be determined by the Board, which determination shall be final, binding and conclusive.

**2.24 “Service Provider”** means an Employee, Director, or Consultant of the Company or its Subsidiary.

**2.25 “Share(s)”** means the issued and outstanding common shares of the Company.

**2.26** “**Subsidiary**” means any “subsidiary entity” of the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

### **3. ADMINISTRATION OF THE PLAN**

#### **3.1 Board**

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s articles and applicable law. The Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Board present at a meeting or by unanimous consent of the Board executed in writing in accordance with the Company’s articles and applicable law. The interpretation and construction by the Board of any provision of the Plan, any Award or any Award Agreement shall be final, binding and conclusive.

#### **3.2 Committee**

The Board from time to time may delegate to the Committee such powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 above and other applicable provisions, as the Board shall determine, other than the Board’s power and authority to grant awards or to issue Shares to Grantees upon the vesting of an Award, consistent with the articles of the Company and applicable law.

(i) Except as provided in Subsection (ii) and except as the Board may otherwise determine, the Committee, if any, appointed by the Board to administer the Plan shall consist of two or more Outside Directors of the Company who meet such requirements as may be established from time to time by the securities regulatory authorities for such incentive plans and who comply with the independence requirements of applicable securities regulatory policies.

(ii) The Board may also appoint one or more separate committees of the Board, each composed of one or more directors of the Company who need not be Outside Directors, who may administer the Plan and may determine all terms of such Awards.

Notwithstanding the foregoing, the Board may not delegate its authority to grant Awards or to issue Shares to Grantees upon the vesting of an Award.

In the event that the Plan, any Award or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken or such determination may be made by the Committee if the power and authority to do so has been delegated to the Committee by the Board as provided for in this Section. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding and conclusive. To the extent permitted by law, the Committee may delegate its authority under the Plan to a member of the Board.

#### **3.3 Terms of Awards**

Subject to the other terms and conditions of the Plan, the Board shall have full and final authority to:

- (i) designate Grantees;
- (ii) determine the number of Shares to be subject to an Award;
- (iii) establish the terms and conditions of each Award (including, but not limited to, the nature and

duration of any restriction or condition (or provision for lapse thereof) relating to the vesting or forfeiture of an Award and any other terms or conditions);

- (iv) prescribe the form of each Award Agreement evidencing an Award;
- (iv) establish performance criteria; and
- (v) amend, modify, or supplement the terms of any outstanding Award. Such authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside Canada to recognize differences in local law, tax policy, or custom.

As a condition to any subsequent Award, the Board shall have the right, at its discretion, to require Grantees to return to the Company Awards previously made under the Plan. Subject to the terms and conditions of the Plan, any such new Award shall be upon such terms and conditions as are specified by the Board at the time the new Award is made. The Board shall have the right, in its discretion, to make Awards in substitution or exchange for any other award under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate. The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of actions taken by the Grantee in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. Furthermore, the Company may, within 30 days, annul an Award if the Grantee is an employee of the Company or an Affiliate thereof and is terminated for Cause. The grant of any Award shall be contingent upon the Grantee executing the appropriate Award Agreement.

### **3.4 No Liability**

No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

### **3.5 Book Entry**

Notwithstanding any other provision of this Plan to the contrary, the Company may elect to satisfy any requirement under this Plan for the delivery of share certificates through the use of book-entry.

## **4. SHARES SUBJECT TO THE PLAN**

Shares issued or to be issued under the Plan shall be authorized but unissued shares. Subject to adjustment as provided in Section 11 hereof, the maximum number of Shares available for issuance under the Plan shall be 2,275,973. The number of Shares issued or to be issued under the Plan and all other security based compensation arrangements, at any time, shall not exceed 20% of the total number of the issued and outstanding Shares. If any Shares covered by an Award are forfeited, or if an Award terminates without delivery of any Shares subject thereto, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award shall, to the extent of any such forfeiture or termination, again be available for making Awards under the Plan. The Board shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions. The number of Shares reserved pursuant to this Section 4 may be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of Shares subject to Awards before and after the substitution.

Notwithstanding the foregoing:

- (i) the number of securities issuable to insiders of the Company under all security-based compensation arrangements, including the Plan, at any time, cannot exceed 10% of the

issued and outstanding Shares;

- (ii) the number of securities issued to insiders of the Company pursuant to such arrangements, within any one-year period, cannot exceed 10% of the issued and outstanding Shares;
- (iii) the number of Shares issuable to any one Service Provider or other individual pursuant to an Award within any one-year period, cannot exceed 1% of the issued and outstanding Shares; and
- (iv) the aggregate number of Shares issuable to all Service Providers pursuant to Awards within any one-year period, cannot exceed 2% of the issued and outstanding Shares.

## **5. EFFECTIVE DATE, DURATION AND AMENDMENTS**

### **5.1 Effective Date**

The Plan shall be effective as of the Effective Date, subject to approval of the Plan by the Company's shareholders within one year of the Effective Date. Upon approval of the Plan by the shareholders of the Company as set forth above, all Awards made under the Plan on or after the Effective Date shall be fully effective as if the shareholders of the Company had approved the Plan on the Effective Date. If the shareholders fail to approve the Plan within one year after the Effective Date, any Awards made hereunder shall be null and void and of no effect.

### **5.2 Term**

The Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date or extended as provided in Section 5.3.

### **5.3 Amendment and Termination of the Plan**

The Board may, at any time and from time to time, amend the Plan, subject to prior TSX Venture Exchange approval, or suspend, extend or terminate the Plan as to any Shares as to which Awards have not been made. An amendment shall be contingent on approval of the Company's shareholders to the extent stated by the Board, required by applicable law or required by applicable stock exchange listing requirements. However, amendments of a housekeeping nature, changes to vesting provisions, changes to the term of the Plan or Awards made hereunder or changes to performance criteria will not require shareholder approval.

## **6. AWARD ELIGIBILITY AND LIMITATIONS**

### **6.1 Service Providers**

Subject to this Section 6, Awards may be made under the Plan to any Service Provider, as the Board shall determine and designate from time to time. The Company and the Grantee of Restricted Stock Units are responsible for ensuring and confirming that the Grantee of Restricted Stock Units is a bona fide Service Provider.

### **6.2 Successive Awards**

An eligible person may receive more than one Award, subject to such restrictions as are provided herein.

### **6.3 Stand-Alone, Additional, Tandem, and Substitute Awards**

Awards granted under the Plan may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate, or any other right

of a Grantee to receive payment from the Company or any Affiliate. Such additional, tandem, and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall require the surrender of such other Award in consideration for the grant of the new Award.

## **7. AWARD AGREEMENT**

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan.

## **8. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS**

### **8.1 Grant of Restricted Stock Units**

Awards shall be in the form of Restricted Stock Units. Subject to the restrictions and vesting provisions provided in Section 8.2, each RSU shall entitle the Grantee to receive one Share.

### **8.2 Restrictions and Vesting**

At the time a grant of Restricted Stock Units is made, the Board may, in its sole discretion, establish a period of time (a “**Vesting period**”) applicable to such Restricted Stock Units. Each Award of Restricted Stock Units may be subject to a different Vesting period. The Board may, in its sole discretion, at the time a grant of Restricted Stock Units is made, prescribe restrictions in addition to or other than the expiration of the Vesting period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the Restricted Stock Units in accordance with Section 9.1 Notwithstanding the foregoing, (i) Restricted Stock Units that vest solely by the passage of time shall not vest in full in less than three (3) years from the Grant Date; (ii) Restricted Stock Units for which vesting may be accelerated by achieving performance targets shall not vest in full in less than one (1) year from the Grant Date; and (iii) Restricted Stock Units granted to Outside Directors vest, (a) at the election of an Outside Director at the time the Award is granted, within a minimum of one (1) year to a maximum of three (3) years following the Grant Date, as such Outside Director may elect, and (b) if no election is made, upon the earlier of a Change of Control in accordance with Section 11.2 or his or her resignation from the Board.

Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of (other than to the Grantee’s beneficiary or estate, as the case may be, upon the death of the Grantee) during the Vesting period.

Upon the death of a Grantee, any RSUs granted to such Grantee which, prior to the Grantee’s death, have not vested, will immediately vest and the Grantee’s estate shall be entitled to receive payment in accordance with Section 8.6 hereof.

### **8.3 Restricted Stock Unit Accounts**

An account will be maintained by the Secretary of the Company, or such other officer of the Company as the Board may designate, in the name and for the benefit of the Grantee, in which will be recorded the number of RSUs granted to the Grantee, the Grant Date and expiry date of the RSUs.

### **8.4 Rights of Holders of Restricted Stock Units**

#### **(a) Voting and Dividend Rights**

Grantees of Restricted Stock Units shall have no rights as shareholders of the Company. The Board may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the Grantee shall be entitled to receive, upon the Company’s payment of a cash dividend on its outstanding Shares, a cash payment for each

Restricted Stock Unit granted equal to the per-share dividend paid on the outstanding Shares. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of the Shares on the date that such dividend is paid.

(b) **Creditor's Rights**

A Grantee shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

**8.5 Termination of Service**

Unless the Board otherwise provides in an Award Agreement or in writing after the Award Agreement is issued, subject to prior TSX Venture Exchange approval, upon the termination of a Grantee's Service, any Restricted Stock Units granted to a Grantee that have not vested and will not vest within 30 days from the date of termination, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Stock Units, the Grantee shall have no further rights with respect to such Award, including but not limited to any right to receive dividends with respect to the Restricted Stock Units.

**8.6 Delivery of Shares**

Upon the expiration or termination of the Vesting period and the satisfaction of any other restrictions prescribed by the Board, the Restricted Stock Units shall vest and shall be settled in Shares issued by the Company from treasury and, unless otherwise provided in the Award Agreement, a share certificate for that number of Shares equal to the number of vested RSUs shall be delivered, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be.

Settlement of RSUs shall be in Shares issued by the Company from treasury. The Committee shall specify the circumstances in which Awards shall be made or forfeited in the event of termination of Service by the Grantee prior to vesting.

**8.7 Exchange Hold Period**

If the Award is granted to a director, officer, promoter or other insider of the Company, then the Award will bear an Exchange Hold Period (as defined in TSX Venture Exchange Policies), and the following legend will be inserted onto the first page of the Award Agreement:

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the Shares represented by this agreement when vested and issued thereunder may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ♦, 20♦, [i.e., four months and one day after the date of Award grant].*

**9. TERMS AND CONDITIONS OF AWARDS**

**9.1 Performance Conditions**

The granting and vesting of RSUs may be subject to such performance conditions as may be specified by the Board in the Award Agreement. The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to performance conditions.

**9.2 Performance Goals Generally**

The performance goals for Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 9.1. Performance goals shall be objective and shall otherwise meet the requirements that the level or levels of performance targeted by the Committee result in the achievement of performance goals being “substantially uncertain”. The Committee may determine that Awards shall vest upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to the vesting of an Award. Performance goals may differ for Awards granted to any one Grantee or to different Grantees.

### **9.3 Business Criteria**

The Board, in its sole discretion, may establish business criteria for the purpose of establishing performance goals in accordance with Section 9.1, including but not limited to, one or more of the following business criteria for the Company, on a consolidated basis, and/or specified Subsidiaries or business units of the Company (except with respect to the total shareholder return and earnings per share criteria): (1) total shareholder return; (2) such total shareholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the S&P/TSX Composite Index; (3) past service to the Company; (4) net income; (5) pre-tax earnings; (6) earnings before interest expense, taxes, depreciation and amortization; (7) pre-tax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (8) operating margin; (9) earnings per share; (10) return on equity; (11) return on capital; (12) return on investment; (13) operating earnings; (14) working capital; (15) ratio of debt to shareholders’ equity; (16) revenue; and (17) free cash flow and free cash flow per share. Business criteria may be measured on an absolute basis or on a relative basis (i.e., performance relative to peer companies) and on a GAAP or non-GAAP basis.

### **9.4 Timing For Establishing Performance Goals**

Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Awards, or at such other date as may be determined by the Board.

### **9.5 Written Determinations**

All determinations by the Committee as to the establishment of performance goals, the amount of any Award and as to the achievement of performance goals relating to Awards, and the amount of any final Awards, shall be made in writing.

## **10. REQUIREMENTS OF LAW**

### **10.1 General**

The Plan shall comply with the provisions of any applicable law or regulation of any governmental authority, including without limitation any federal, state or provincial securities laws or regulations and the requirements of any stock exchange having jurisdiction. The failure to comply with such laws or regulations, including without limitation the *Securities Act*, may result in a termination of the Plan and/or the forfeiture of previously granted RSUs.

## **11. EFFECT OF CHANGES IN CAPITALIZATION**

### **11.1 Changes in Shares**

If the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which Awards may be made under the Plan shall be adjusted proportionately and accordingly by the Company. In addition, the

number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Notwithstanding the foregoing, in the event of any distribution to the Company's shareholders of securities of any other entity or other assets (including an extraordinary cash dividend but excluding a non-extraordinary dividend payable in cash or in shares of the Company) without receipt of consideration by the Company, the Company may, in such manner as the Company deems appropriate, adjust the number and kind of shares subject to outstanding Awards.

### **11.2 Change of Control**

Upon the occurrence of a Change of Control, all outstanding Restricted Stock Units shall be deemed to have vested, and all restrictions and conditions applicable to such Restricted Stock Units shall be deemed to have lapsed and the Shares subject to such Restricted Stock Units shall be issued and delivered, immediately prior to the occurrence of such Change of Control.

### **11.3 Adjustments**

Adjustments under Section 11.1 relating to Shares or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole Share. The Board may provide in the Award Agreement at the time of grant, or any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in Sections 11.1 and 11.3.

### **11.4 No Limitations on Company**

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

## **12. GENERAL PROVISIONS**

### **12.1 Disclaimer of Rights**

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any Affiliate, or to interfere in any way with any contractual or other right or authority of the Company either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee, so long as such Grantee continues to be a director, officer, consultant or employee of the Company or an Affiliate. The obligation of the Company to issue Shares or pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation only in respect of those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

### **12.2 Non-exclusivity of the Plan**

Neither the adoption of the Plan nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

### **12.3 Withholding Taxes**

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, provincial, state, or local taxes of any kind required by law to be withheld with respect to the vesting of an Award or upon the issuance of any Shares upon the vesting of an Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company or the Affiliate, as the case may be, any amount that the Company or the Affiliate may reasonably determine to be necessary to satisfy such withholding obligation.

### **12.4 Captions**

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

### **12.5 Other Provisions**

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

### **12.6 Number and Gender**

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

### **12.7 Severability**

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

### **12.8 Governing Law**

The validity and construction of this Plan and the instruments evidencing the Award hereunder shall be governed by the laws of the Province of Ontario, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

### **12.9 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

### **12.10 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern.

### **12.11 Time of Essence**

Time is of the essence of this Plan and of each Award Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**SCHEDULE “C”**  
**AUDIT COMMITTEE CHARTER**

This charter shall govern the activities of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Aurania Resources Limited (the “Company”).

**Mandate**

The main purpose of the Committee is to provide assistance to the Board in fulfilling its stewardship responsibility for the Company with respect to the quality and the integrity of the Company’s financial reporting practices, the qualifications and independence of the independent auditors of the Company (the “Independent Auditors”) and the audit process. In so doing, it is the responsibility of the Committee to facilitate and promote free and open communication among the directors of the Company, the Independent Auditors and the financial management of the Company.

The function of the Committee is one of oversight. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and of the appropriateness of the accounting principles and reporting policies that are used by the Company. The Independent Auditors are responsible for auditing the Company’s annual financial statements.

**Composition**

1. The Committee must be comprised of a minimum of three directors of the Company, all of whom are independent (as defined under applicable securities laws, instruments, rules and policies and applicable regulatory requirements).
2. Each member of the Committee shall be financial literate and at least one member shall have expertise in financial reporting.
3. The members of the Committee will be appointed by the Board annually at the first meeting for the Board following the annual meeting for the shareholders to serve until the next annual meeting of shareholders or until their successors are duly appointed.
4. The Board shall designate one member to act as Chair of the Committee or, if it fails to do so, the members of the Committee shall appoint the Chair among its members.

**Meetings**

5. The Committee shall meet at least four times a year, with the authority to convene additional meetings as circumstances require. A majority of the members of the Committee shall constitute a quorum. The Committee may also act by unanimous written consent of each of its members.
6. At each regular meeting, the Committee shall hold an *in camera* session without management present.
7. The Committee shall keep minutes of its meetings which shall be available for review by the Board. The Committee may appoint any person to act as the secretary at any meeting.
8. The Committee may invite such officers, directors and employees of the Company and such other advisors and persons as it may see fit, from time to time, to attend at meetings of the Committee.
9. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier if the Committee deems necessary.

**Responsibilities**

***Financial Accounting, Internal Control and Reporting Process***

10. The Committee is responsible for:
  - (a) Reviewing and reporting to the Board on the quarterly and annual financial statements, notes and management’s discussion and analysis (“MD&A”);

- (b) Satisfying itself that the audit function has been effectively carried out;
- (c) Discussing and meeting with, when it deems appropriate to do so and no less frequently than annually, the Independent Auditors, the Chief Financial Officer and any Management it wishes to, to review accounting principles, practices, judgements of Management, internal controls and such other matters as the Committee deems appropriate;
- (d) Reviewing any post-audit or management letter containing the commendation of the Independent Auditors and Management's response and subsequent follow-up to any identified weaknesses; and
- (e) Oversight of the Company's compliance and reporting process under the *Extractive Sector Transparency Measures Act*.

### ***Public Disclosure***

11. The Committee shall:
  - (a) Review the annual and interim financial statements and related MD&A, news releases that contain significant financial information that has not previously been released to the public, and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws and satisfy itself that the documents do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made before the Company publicly discloses this information; and
  - (b) Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.

### ***Risk Management***

12. The Committee shall inquire of Management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps Management has taken to minimize such risks. The Committee shall annually review the directors' and officers' third-party liability insurance of the Company.

### ***Independent Auditors***

13. The Committee shall be responsible for recommending to the Board, for appointment by shareholders, a firm of external auditors to act as Independent Auditors and for monitoring the independence and performance of the Independent Auditors, including attendance at private meetings with the Independent Auditors and reviewing and approving their remuneration.
14. The Committee shall be responsible for resolving disagreements between Management and the Independent Auditors regarding financial reporting and monitor and assess the relationship between management and the Independent Auditors and monitor the independence and objectivity of the Independent Auditors.
15. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors. At the discretion of the Committee, pre-approvals requested in between regular meetings may be approved by the Chair.
16. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
17. The Committee shall review the results of the annual audit with the Independent Auditors, including matter related to the conduct of the audit.
18. The Independent Auditors are responsible for planning and carrying out an audit of the Company's annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that such financial statements are in accordance with International Financial Reporting Standards ("IFRS"). The Committee shall obtain reports from the Independent Auditors (either orally or in writing) describing critical accounting policies and practices, alternative treatments of information withing IFRS

that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Company and the Independent Auditors.

19. The Committee shall review fees paid by the Company to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
20. The Committee shall monitor the external auditor's qualifications and independence and the rotation of the partners on the audit engagements team of external auditors in accordance with applicable rules.

#### ***Other Responsibilities***

21. The Committee shall review all proposed related party transactions that are not dealt with by a special Committee of independent directors pursuant to applicable securities laws.
22. The Committee shall establish procedures for:
  - (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (b) The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or control related matters.
23. The Committee shall review accounting and financial human resources succession planning within the Company.
24. The Committee and its members shall review their own performance and assess the adequacy of this charter at least annually and submit any proposed revisions to the Board for approval.
25. The Committee shall perform any other activities consistent with this mandate and applicable law, as the Committee or the Board deems necessary or appropriate.

#### ***Authority***

26. The Committee has the authority to:
  - (a) Engage, at the expense of the Company, independent counsel and other experts or advisors as it determines necessary to carry out its duties;
  - (b) Approve and pay the compensation for any independent counsel and other experts and advisors retained by the Committee;
  - (c) Communicate directly with the Independent Auditors of the Company;
  - (d) Conduct any investigation appropriate to its responsibilities, and request the Independent Auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee; and
  - (e) Have unrestricted access to the books and records of the Company.

#### **ADOPTION**

This Policy was adopted by the Board on March 4, 2020.