



MANAGEMENT INFORMATION CIRCULAR

AND

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS OF**

AURION RESOURCES LTD.

TO BE HELD ON JULY 30, 2019

Dated: June 25, 2019



**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
to be held on July 30, 2019 at 1:00 pm Newfoundland Time
at W240, 120 Torbay Road, St. John's, NL A1A 2G8**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of the shareholders of Aurion Resources Ltd. ("**Aurion**" or the "**Corporation**") will be held in the Corporation's boardroom at Suite W240, 120 Torbay Road, St. John's, Newfoundland A1A 2G8 on Tuesday, July 30, 2019 at 1:00 pm local time to consider resolutions for the following purposes:

1. To receive and consider the comparative financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditor thereon;
2. To set the number of directors at five (5);
3. To elect directors for the ensuing year;
4. To appoint Davidson & Company LLP as auditor of the Corporation for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditor;
5. To consider and, if thought fit, pass an ordinary resolution approving the stock option plan, as more particularly described in the Information Circular under the heading "Particulars of Matters to be Acted Upon - Stock Option Plan"; and
6. To transact such other business as may properly be put before the meeting;

The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 [Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524] not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof. Only Shareholders of record on June 25, 2019 are entitled to receive notice of and vote at the Meeting.

DATED at St. John's, Newfoundland this 25th day of June 2019

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

/s/ "**Michael Basha**"
President & Director

MANAGEMENT INFORMATION CIRCULAR

as at June 25, 2019

MANAGEMENT SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of **Aurion Resources Ltd.** (the “**Corporation**”) for use at the Annual General Meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on **July 30, 2019**, at the offices of Aurion Resources Ltd., Suite W240 – 120 Torbay Road, St. John’s, Newfoundland A1A 2G8 on Tuesday, July 30, 2019 at 1:00 pm local time and at any adjournments thereof for the purposes set forth in the enclosed Notice of Annual General Meeting (the “**Notice**”).

The solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.

You may opt to receive important shareholder information electronically, including Annual General Meeting materials, by visiting www.investorcentre.com and follow these steps:

- **Click on “sign up for e-Delivery”**
- **Select the Corporation from the drop-down list**
- **Enter your Holder Account Number (found on your proxy form) and postal code (or last name if you reside outside of Canada)**
- **Click Submit**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the “**Proxy**”) are officers of the Corporation. **A registered shareholder has the right to appoint a person (who need not be a shareholder) other than the persons named as the proxy of the shareholder and may exercise this right either by inserting that person’s name in the blank space provided in the Proxy and striking out the other names or by completing another proper form of proxy.** To be effective, Proxies must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.

Proxies given by registered shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by depositing an instrument in writing signed by the registered shareholder, or by the registered shareholder’s attorney duly authorized in writing, at the registered office of the Corporation, Suite W240, 120 Torbay Road, St. John’s, Newfoundland A1A 2G8 on or before the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment thereof.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their Shares (as defined herein) in their own name. Shareholders holding their Shares through banks, trust companies, securities dealers or brokers, trustees or administrators of RRSPs, RRIFs, RESPs and similar plans or other persons (any one of which is herein referred to as an “Intermediary”) or otherwise not in their own name (such shareholders herein referred to as “Beneficial Shareholders”) should note that only proxies deposited by shareholders appearing on the records maintained by the Corporation’s transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder’s Shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those Shares are not registered in the shareholder’s name and that shareholder is a Beneficial Shareholder. Such Shares are most likely registered in the name of the shareholder’s broker or an agent of that broker. In Canada the vast majority of such Shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing

certain ownership information about themselves to the Corporation (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") or objecting to their Intermediary disclosing ownership information about themselves to the Corporation (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

In accordance with the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, the Corporation has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "VIF"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "Meeting Materials") indirectly through Intermediaries to the NOBOs and OBOs. The management of the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediaries assume the cost of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's Shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. If you have any questions respecting the voting of Shares held through an Intermediary, please contact that Intermediary for assistance.

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Voting and Discretion of Proxies

The common shares (the "**Shares**") of the Corporation represented by the Proxies solicited by management of the Corporation pursuant to this Circular will be voted or withheld from voting in accordance with the directions contained therein. **If no directions are given, the Shares will be voted FOR the fixing of the number of directors at five (5), FOR the election of management's nominees as directors of the Corporation, FOR the appointment of management's nominee as auditors of the Corporation and authorizing the directors to fix their remuneration and FOR the approval of the stock option. The Proxy confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice and in respect of other matters that may properly come before the Meeting, or any adjournment thereof.**

As at the date of this Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the Proxies will vote thereon in accordance with their best judgment.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;

(b) each proposed nominee for election as a director of the Corporation; and each associate or affiliate of any of the foregoing.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2018, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Corporation consists of an unlimited number of Shares without par value. As at the date of this Circular, 75,565,008 Shares are issued and outstanding. Each Share of the Corporation carries the right to one vote, and all Shares may be voted at the Meeting.

The record date for the determination of shareholders entitled to receive notice of and vote at the Meeting has been fixed as June 25, 2019. Except as may be otherwise indicated herein and in the Notice, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

To the knowledge of the directors and senior officers of the Corporation, the following persons or companies beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Corporation.

Name of Shareholder	Number of Shares	Percentage of Issued & Outstanding
Lotan Holdings Inc.	7,573,000	10.02% ⁽¹⁾

⁽¹⁾ Based on 75,565,008 Shares issued and outstanding as at the date of this Circular.

SETTING NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Corporation for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of at least a majority of Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five (5).

ELECTION OF DIRECTORS

The board of directors ("**Board**") of the Corporation is elected annually and holds office until the next Annual General Meeting of the shareholders or until their successors are elected. The management of the Corporation proposes to nominate the persons listed below (the "**Proposed Nominees**") for election as directors of the Corporation to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Corporation will be voted for the Proposed Nominees in this Circular.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The following table sets out the names of the Proposed Nominees for election as a director, the province or state and country in which ordinarily resident, the period or periods during which each has served as a director, positions held in the Corporation, their present principal occupations and number of shares of the Corporation or shares of any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly as at the date hereof.

Name, Positions with the Corporation, Province/State and Country of Resident	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period from Which Nominee Has Been Director	Number of Shares Beneficially Owned ⁽³⁾
Michael Basha President & CEO Newfoundland & Labrador, Canada	President & CEO of the Corporation since October 2008.	May 15/08	2,541,071
David Lotan ² Director & Non-Exec. Chair Ontario, Canada	President of Lotan Holdings Inc., a private investment company focused on natural resource opportunities.	April 20/17	7,573,000 ⁴
Dennis Clarke ^{1, 2} Director Newfoundland & Labrador, Canada	Barrister & Solicitor; Partner, Goodland Buckingham.	Nov. 15/12	100,000
David Loveys ¹ , Director Newfoundland & Labrador, Canada	President, D.R. Loveys & Associates Inc. VP Finance & CFO of Cornerstone Capital Resources Inc.	June 30/10	118,900
Matti Talikka ^{1,2} , Director Uusimaa, Finland	Director Geometallurgy & Project Evaluation, Outotec Oy	Jan. 15/15	12,000

⁽¹⁾ Member of the Audit Committee (the “**Audit Committee**”) of the Corporation.

⁽²⁾ Member of the Compensation & Corporate Governance Committee (the “**CCG Committee**”) of the Corporation.

⁽³⁾ Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 25, 2019, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such Shares are held directly.

⁽⁴⁾ All 7,573,000 Shares of the Corporation are owned by Lotan Holdings Inc., a private company wholly owned by Mr. Lotan.

Advance Notice Policy

Effective June 13, 2013, the Board adopted an advance notice policy (the “**Advance Notice Policy**”) for the purpose of providing shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation in connection with any annual or special meeting of shareholders. The shareholders approved the Advance Notice Policy at the annual meeting held on July 23, 2013.

The purpose of the Advance Notice Policy is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Corporation. The Advance Notice Policy fixes a deadline by which holders of record of Shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders. A copy of the Advance Notice Policy may be obtained by contacting the Corporation.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Corporation) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar 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; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO

but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 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 the proposed director; or
- (d) has been subject to 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
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Circular:

"Compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Corporation or any of its subsidiaries; and

"Named Executive Officer" or **"NEO"** means each of the following individuals:

- (a) each individual who served as CEO of the Corporation, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as CFO of the Corporation, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Corporation or any of its subsidiaries other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO in two most recently completed financial years ended December 31, 2018:

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Basha ¹ President, CEO & Director	2018	200,000	Nil	Nil	Nil	Nil	200,000
	2017	170,000	220,000	Nil	Nil	Nil	390,000
Mark Serdan ² CFO	2018	150,000	Nil	Nil	Nil		150,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
David Lotan Non-Exec. Chair & Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Dennis Clarke Director	2018	Nil	Nil	20,000	Nil	Nil	20,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Richard Graham Director	2018	Nil	Nil	20,000	Nil	Nil	20,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
David Loveys ³ Director	2018	Nil	Nil	20,000	Nil	Nil	20,000
	2017	22,575	Nil	Nil	Nil	Nil	22,575
Matti Talikka Director	2018	Nil	Nil	20,000	Nil	Nil	20,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Effective January 1, 2018, under the terms of his employment agreement, Mr. Basha receives an annual salary of \$200,000 for his role as CEO.
- (2) Effective January 1, 2018, under the terms of his employment agreement, Mr. Serdan receives an annual salary of \$150,000 for his role as CFO.
- (3) Paid to D.R. Loveys & Associates, Inc., a company wholly owned by David Loveys, for his role as CFO. Mr. Loveys resigned as Chief Financial Officer on January 19, 2018 and as Corporate Secretary on April 4, 2019.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the financial year ended December 31, 2018 for services provided, to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Michael Basha ² President, CEO & Director	Stock Options	150,000 (10.64%)	Mar 7/18	1.10	0.94	1.09	Mar. 7/23
	DSUs	61,728 (66.67%)	July 31/18	0.81	0.82	1.09	N/A
	DSUs	94,340 (66.67%)	Dec 18/18	1.06	0.93	1.09	N/A
David Lotan ³ Non-Exec Chair & Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Mark Serdan ⁴ CFO	Stock Options	300,000 (46.2%)	Jan. 23/18	1.00	0.86	1.09	Jan. 23/22
	DSUs	30,864 (33.33%)	July 31/18	0.81	0.82	1.09	N/A
	DSUs	47,170 (33.33%)	Dec 18/18	1.06	0.93	1.09	N/A
Dennis Clarke ⁵ Director	Stock Options	50,000 (3.55%)	Mar. 7/18	1.10	0.94	1.09	Mar. 7/23
Richard Graham ⁶ Director	Stock Options	50,000 (3.55%)	Mar. 7/18	1.10	0.94	1.09	Mar. 7/23

Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
David Loveys ⁷ Director	Stock Options	50,000 (3.55%)	Mar. 7/18	1.10	0.94	1.09	Mar. 7/23
Matti Talikka ⁸ Director	Stock Options	50,000 (3.55%)	Mar. 7/18	1.10	0.94	1.09	Mar. 7/23

- (1) Each stock option entitles the holder to one Share upon exercise or release. Each vested DSU entitles the holder to redeem each DSU for its cash value upon ceasing to be a director, officer or employee of the Company. For further information, see "Stock Option Plans and Other Incentive Plans" below.
- (2) Michael Basha held a total of 800,000 stock options and 156,068 DSUs as at December 31, 2018. The value of the DSUs issued to Mr. Basha in 2018 was \$150,000.
- (3) David Lotan held nil stock options as at December 31, 2018.
- (4) Mark Serdan held a total of 300,000 stock options and 78,034 DSUs as at December 31, 2018. Mr. Serdan was appointed Chief Financial Officer on January 19, 2018. The value of the DSUs issued to Mr. Serdan in 2018 was \$75,000.
- (5) Dennis Clarke held a total of 325,000 stock options as at December 31, 2018.
- (6) Richard Graham held a total of 325,000 stock options as at December 31, 2018.
- (7) David Loveys held a total of 325,000 stock options as at December 31, 2018. Mr. Loveys resigned as Chief Financial Officer on January 19, 2018
- (8) Matti Talikka held a total of 325,000 stock options as at December 31, 2018.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price & closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Basha, Director	Stock Options	150,000	0.25	Jan. 19/18	0.79	0.54	81,000
Dennis Clarke, Director	Stock Options	100,000	0.25	Jan. 19/18	0.79	0.54	54,000

Stock Option and Other Incentive Plans

Stock Option Plan

The Corporation's Stock Option Plan dated for reference June 25, 2015 (the "**Current Plan**") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Corporation, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Current Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries or affiliates, options to purchase Shares.

The Current Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Current Plan is administered by the directors of the Corporation. All options expire on a date not later than ten years after the date of grant of such option. There are currently options to purchase 6,235,000 Shares outstanding under the Current Plan and all current outstanding options expire within 5 years of the date of grant.

The Current Plan allows for the purchase of shares issuable in connection with stock options granted under the stock option plan to equal 10% of the Corporation's issued and outstanding Shares at any given time. For additional information pertaining to the new stock option plan, see the section of this Circular entitled "Particulars of Matters to be Acted Upon - Stock Option Plan".

Deferred Share Unit Plan

The Corporation's Deferred Share Unit Plan ("DSU Plan") was adopted by the Board on June 11, 2018. The purpose of the DSU Plan is to advance the interests of the Company by: (i) aligning the interests of Directors, Officers and Employees with the interests of the Shareholders generally; (ii) encouraging Directors, Officers and Employees to remain associated with the Company; and (iii) furnishing Directors, Officers and Employees with an additional incentive in their efforts on behalf of the Company.

The DSU plan is administered by the Directors of the Board through the Compensation Committee and allows for the granting of DSUs to plan participants from time to time pursuant to the terms of the DSU Plan. DSUs granted under the Plan are valued on the date of grant at the market value of the Corporation's shares (volume weighted average trading price for the 5 trading days immediately preceding the date of grant). DSUs granted under the Plan vest in three equal tranches on each of the first, second and third anniversaries of the grant date and are not eligible for redemption by a participant until the participant is no longer a Director, Officer or Employee of the Corporation. All DSUs granted under the DSU Plan are settled in cash at the at the market value of the Corporation's shares at the time of redemption.

There are currently 350,339 DSUs outstanding under the DSU Plan (234,102 DSUs outstanding at December 31, 2018)

Employment, Consulting and Management Agreements

Other than as described below, the Corporation is not party to any formal, written employment, consulting or management agreements with any NEO or director.

On December 1, 2016, the Corporation entered into an Amended and Restated Employment Agreement ("**Employment Agreement**") with Michael Basha whereby the Corporation agreed to retain Mr. Basha as President and Chief Executive Officer. The Employment Agreement provides that the Corporation may terminate the Employment Agreement at any time without just cause by paying Mr. Basha a lump sum fee equivalent to two years' compensation, by awarding Mr. Basha a pro-rated Bonus to reflect service up to the date of termination and by allowing stock options granted to Mr. Basha to continue to vest for a period of two years (the Settlement Amount"). In the event that Mr. Basha is terminated or terminates the agreement within one year of a change of control of the Corporation, he will be entitled to the same terms as if he was terminated without just cause, except that all such payments would be immediately payable. For the purposes of the Employment Agreement, change of control is deemed to have occurred when: (a) a person becomes a "control person" (as defined in the Securities Act (Newfoundland and Labrador), (b) a majority of the Directors elected at any annual or special meeting of shareholders of the Corporation are not individuals nominated by the Corporation's then-incumbent board of directors, (c) the Corporation sells, transfers, leases or otherwise disposes of all or substantially all of its assets, (d) any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Corporation. Termination of the employment agreement with Mr. Basha without just cause or due to a Change of Control would result in a maximum liability to the Corporation of \$500,000.

On January 18, 2018, the Corporation entered into an employment agreement with Mark Serdan, whereby the Corporation agreed to retain Mr. Serdan as Chief Financial Officer. The Employment Agreement provides that the Corporation may terminate the Employment Agreement at any time without just cause by paying Mr. Serdan a lump sum fee equivalent to three months' notice or payment in lieu of notice. In the event that Mr. Serdan is terminated or terminates the agreement within one year of a change of control of the Corporation, he will be entitled to receive two year's gross salary plus two year's annual bonus. For the purposes of the Employment Agreement, change of control is deemed to have occurred when: (a) a person becomes a "control person" (as defined in the Securities Act (Newfoundland and Labrador), (b) a majority of the Directors elected at any annual or special meeting of shareholders of the Corporation are not individuals nominated by the Corporation's then-incumbent board of directors, (c) the Corporation sells, transfers, leases or otherwise disposes of all or substantially all of its assets, (d) any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Corporation. Termination of the employment agreement with Mr. Serdan without just cause or due to a Change of Control would result in a liability to the Corporation of \$300,000 plus any discretionary bonuses granted.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation of directors is recommended by the Compensation & Corporate Governance Committee (the "CCG Committee") to the board of directors. As of December 31, 2018, non-executive directors receive annual fees of \$20,000 each. Long term incentives (stock options and DSUs) are granted from time to time, based on an existing

complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope.

Compensation of Named Executive Officers

The Corporation's compensation philosophy for Named Executive Officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Corporation and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Corporation's executive officers, the Corporation takes into consideration a variety of factors including management's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; each executive officer's individual performance during the fiscal year; each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Corporation; and existing market standards within the mining industry. Management presents its recommendations to the Board of Directors.

Elements of NEO Compensation

Compensation Mix

In keeping with the Corporation's philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Corporation has adopted a model that includes both base salary and "at-risk" compensation comprised of participation in the Corporation's Long-Term Incentive Plan (stock options and DSUs), as described below.

Base Salary

Mr. Basha received a base salary of \$170,000 in 2017 and \$200,000 in 2018.

Mr. Loveys, the Corporation's Chief Financial Officer from February 1, 2010 to January 19, 2018, was remunerated on the basis of \$75.00 per hour for services rendered.

Mr. Serdan, the Corporation's Chief Financial Officer from January 19, 2018 to present, received a base salary of \$150,000 in 2018.

Directors are also eligible to receive a rate for consulting services when requested by the Corporation to provide services not normally considered to be within the scope of Directors' duties. The Board considers that this is appropriate for the Corporation's current stage of development. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention.

Long Term Incentive Plan (Stock Options and DSUs)

Long term incentives are performance-based grants of stock options and DSUs. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options and DSUs are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Corporation;
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

The value of any long-term stock options allocated is determined using the Black-Scholes model.

The value of any DSUs granted is the market price of the Corporation's shares.

Management makes recommendations to the CCG Committee and the Board concerning the Corporation's Long-Term Incentive Plan based on the above criteria. Options and DSUs are typically granted on an annual basis in connection with the review of executives' compensation packages. Options and DSUs may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

The Corporation's Board of Directors considers previous grants of options and DSUs and the overall number of options and DSUs that are outstanding relative to the number of outstanding Shares in determining whether to

make any new grants of options and DSUs and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive compensation.

Benefits and Perquisites

The Corporation's NEOs do not receive any benefits or perquisites. For additional details, see "Description of the Long-Term Incentive Plan" below.

Material Terms of NEO Agreements

Michael Basha, President & Chief Executive Officer

Mr. Basha was appointed President and CEO under an employment agreement dated December 1, 2016 (the "**Employment Agreement**") and receives annual compensation of \$200,000 and a bonus to be recommended by the CCG Committee and approved by the Board.

Termination and Change of Control Benefits

The Employment Agreement provides for the following payments if there is termination without cause:

- a) the Executive's full compensation to the termination date, including expenses and any other amounts owing to the Executive;
- b) a cash payment equal to two years' compensation;
- c) two times the average annual bonus earned by the Consultant;
- d) options, whether vested or unvested, will remain exercisable until the earlier of their expiration date or two years from the termination date.

If the Executive resigns or is terminated within 12 months after a change of control, he will receive, in addition to any other payments he is entitled to, a lump sum cash payment equal to two times his base compensation and two times the average annual bonuses paid for the prior three years. Further, all of the Executive's unvested stock options will be deemed to have vested and all unexercised stock options will remain exercisable until the earlier of ninety days following the date of such termination and the expiry date of such options.

The CEO's compensation includes base compensation, bonuses and long-term equity incentives. The Board approves the CEO's compensation. The CEO currently receives base salary compensation and bonuses. The Board considers that this is appropriate for the Corporation's current stage of development. The Board has taken into consideration the Corporation's understanding of the range of salaries paid to other chief executive officers in the mining industry, as described above under the heading "Compensation Discussion and Analysis". In setting the salary and long-term incentives for the CEO, the Board evaluates the performance of the CEO in light of his impact on the achievement of the Corporation's goals and objectives.

Mark Serdan, Chief Financial Officer

Mr. Serdan was appointed CFO under an employment agreement dated January 19, 2018 (the "**Employment Agreement**") and receives annual compensation of \$150,000 and a bonus to be recommended by the CCG Committee and approved by the Board.

Termination and Change of Control Benefits

The Employment Agreement provides for the following payments if there is termination without cause:

- a) the Executive's full compensation to the termination date, including expenses and any other amounts owing to the Executive;
- b) a cash payment equal to two years' compensation;
- c) two times the average annual bonus earned by the Consultant;
- d) options, whether vested or unvested, will remain exercisable until the earlier of their expiration date or one year from the termination date.

If the Executive resigns or is terminated within 12 months after a change of control, he will receive, in addition to any other payments he is entitled to, a lump sum cash payment equal to two times his base compensation and two times the average annual bonuses paid for the prior three years. Further, all of the Executive's unvested stock options will be deemed to have vested and all unexercised stock options will remain exercisable until the earlier of ninety days following the date of such termination and the expiry date of such options.

The CFO's compensation includes base compensation, bonuses and long-term equity incentives. The Board approves the CFO's compensation. The CFO currently receives base salary compensation and bonuses. The Board considers that this is appropriate for the Corporation's current stage of development. The Board has taken into consideration the Corporation's understanding of the range of salaries paid to other chief executive officers in the mining industry, as described above under the heading "Compensation Discussion and Analysis". In setting the salary and long-term incentives for the CFO, the Board evaluates the performance of the CFO in light of his impact on the achievement of the Corporation's goals and objectives.

David Loveys, Previous Chief Financial Officer

Mr. Loveys was CFO from February 1, 2010 to January 19, 2018 and was paid a fee of \$75 per hour. This agreement had no change of control provisions.

Compensation & Corporate Governance Committee

The Corporation has a CCG Committee consisting of David Lotan, Dennis Clarke and Matti Talikka. Messrs. Clarke and Talikka are "independent directors" as defined under applicable Canadian securities laws.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to the Corporation's current Plan, being the Corporation's only equity compensation plan in effect:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	6,235,000	\$0.95	2,092,371
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	6,235,000		2,092,371

STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, ("**NI 58-101**") of the Canadian Securities Administrators requires each reporting issuer to disclose its corporate governance practices on an annual basis.

Set out below is a description of the Corporation's approach to corporate governance.

Board of Directors

NI 58-101 defines "independence" with reference to the definition of independence contained in National Instrument 52-110-Audit Committees ("**NI 52-110**"). A director is independent if he has no direct or indirect material relationship to the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain types of relationships are by their nature considered to be material relationships and are specified in Section 1.4 of NI 52-110.

As of June 25, 2019, the Board consisted of six (6) directors: Michael Basha, President & CEO, David Lotan, Non-Executive Chair, Dennis Clarke, Richard Graham, David Loveys and Matti Talikka. Of the current Board the following members are independent: Dennis Clarke, Richard Graham and Matti Talikka. The following members are not independent: Michael Basha, David Lotan and David Loveys.

Other Directorships

The following directors of the Corporation hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Michael Basha	Rhyolite Resources Ltd.
Richard Graham	Norwick Capital Corp. Quendale Capital Corp. Rhyolite Resources Ltd.
David Loveys	Cornerstone Capital Resources Inc.

Orientation and Continuing Education

The Corporation does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with the Corporation, the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

Ethical Business Conduct

The Board has adopted a formal written Code of Business Conduct. The Code of Business Conduct allows the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained.

Nomination of Directors

The Board selects new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and CEO. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

Other Board Committees

The Corporation has an Audit Committee (please refer to the "Audit Committee" section) and a Compensation & Corporate Governance Committee.

Assessments

The Board relies on experts such as financial advisors and external legal counsel and forms special committees on an ad hoc basis as necessary. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers an external formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination and in camera sessions are available at every Board meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Corporation's financial statements and the independence and performance of the Corporation's external auditor, acting as a liaison between the Board and the Corporation's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit Committee's Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

The following are members of the Audit Committee as at June 25, 2019:

	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Relevant Education and Experience
Richard Graham, Chair	Y	Y	Manager for Corporate development of Earlston Investment Corp., a private management and investment company. Extensive experience as a director/officer of numerous publicly traded companies. Audit committee member of other publicly traded companies.
Dennis Clarke	Y	Y	Barrister & Solicitor specializing in corporate law. Partner with Goodland Buckingham.
David Loveys	N ⁽³⁾	Y	CPA/CA, former CFO of the Company. President of D. R. Loveys & Associates Inc. a financial consulting firm. Extensive experience as a director and officer of publicly traded mineral exploration companies.
Matti Talikka	Y	Y	Director Geometallurgy & Project Evaluation, Outotec Oy; previously worked for Dragon Mining Limited (2007 – 2015) and held several roles including General Manager, Exploration.

(1) A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Corporation, such as the CEO, is deemed to have a material relationship with the Corporation.

(2) A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements

(3) David Loveys is the former CFO of the Corporation.

Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors of several mining and mineral exploration companies as financial industry executives and serving on numerous other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Corporation and its operating results. Each member has significant understanding of the mineral exploration business which the Corporation engages in and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the

Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Corporation's Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "External Auditors Service Fees (By Category)".

External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Corporation's external auditor in each of the last two fiscal years. In the table "Audit Fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's financial statements for the fiscal year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax Fees" are fees billed by the Corporation's external auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2018	\$37,500	Nil	Nil	Nil
December 31, 2017	\$34,680	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at December 31, 2018 there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation, nor any associate or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transactions or any proposed transactions which has materially affected or would materially affect the Corporation.

APPOINTMENT AND REMUNERATION OF AUDITOR

Management of the Corporation proposes to nominate Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia as auditors of the Corporation to hold office until the next Annual General Meeting of Shareholders, at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

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

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

The Board proposes to continue its 10% rolling plan (the “**Plan**”), subject to shareholder and regulatory approval. The Plan is consistent with the requirements of the TSX Venture Exchange (the “**Exchange**”) and provides as follows:

- (a) the maximum aggregate number of Shares that can be issued pursuant to the exercise of options granted under the Current Plan, the Plan or otherwise, is 10% of the Corporation’s current issued and outstanding share capital (on a non-diluted basis);
- (b) stock options granted under the Plan will have an expiry date not to exceed ten years from the date of grant;
- (c) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Plan;
- (d) stock options will vest as required by the Exchange and as may be determined by the administrator of the Plan, or in the absence of such body, the Board;
- (e) the minimum exercise price of any stock options issued under the Plan will be determined by the Board at the time of grant, subject to the requirements of the Exchange;
- (f) stock options granted will expire 90 days after an optionee ceases to be involved with the Corporation, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Corporation;
- (i) the Corporation cannot grant options to any one consultant in any 12-month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Shares of the Corporation;
- (j) the Corporation cannot grant options in any 12-month period to persons employed or engaged by the Corporation to perform investor relations activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Corporation and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three-month period;
- (k) in connection with the exercise of an option, as a condition to such exercise the Corporation may require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and
- (l) if a change of control, as described in the Plan, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the Exchange.

The above summary is subject to the full text of the Plan which will be available for review at the Meeting. The Plan, and any material amendments thereto, must be approved by a majority of the votes cast by shareholders. The Plan is subject to approval by the Exchange. If the Plan is approved by shareholders, a total of 7,556,500 Shares will be reserved for issuance pursuant to the exercise of options to be granted pursuant to the Plan. As of June 25, 2019, there were 6,235,000 options issued and outstanding.

All options to acquire Shares of the Corporation previously issued by the Corporation to directors, officers, employees and consultants of the Corporation and currently outstanding shall be deemed to have been granted and issued under the Plan and otherwise be governed by the terms and conditions of the Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options.

At the Meeting, shareholders will be asked to pass the following resolution:

"IT IS RESOLVED, as an ordinary resolution that the 10% rolling stock option plan is hereby approved and confirmed and the directors and officers of the Corporation be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to this resolution."

Recommendation of the Directors

The Board of Directors of the Corporation has reviewed the proposed resolution and concluded that it is fair and reasonable to the Shareholders and in the best interests of the Corporation.

The Board of Directors of the Corporation recommends that Shareholders vote in favour of the resolution to approve the Stock Option Plan of the Corporation.

Shareholder approval of the Option Plan is required by the terms of the Option Plan and the rules of the Exchange.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be found on SEDAR at www.sedar.com and on the Corporation's website at www.aurionresources.com.

Financial information relating to the Corporation is provided in the Corporation's audited financial statements and the management discussion and analysis ("MD&A") for the year ended December 31, 2018. Shareholders may download the financial statements and MD&A from SEDAR (www.sedar.com) or contact the Corporation directly to request copies of the financial statements and MD&A by: (i) mail at #W240, 120 Torbay Road, St. John's, Newfoundland A1A 2G8; or (ii) fax to 709-364-3086, or e-mail (lhodge@aurionresources.ca). Additional financial information concerning the Corporation may be obtained by any shareholder free of charge through the Corporation's website at www.aurionresources.com or by contacting the Corporation at 709-699-8300.

DATED at Vancouver, British Columbia this 25th day of June 2019.

BY ORDER OF THE BOARD

/s/ "Michael Basha"
President, CEO & Director

Schedule "A"
to the Information Circular of Aurion Resources Ltd.

AUDIT COMMITTEE CHARTER

A. Composition and Process

1. The audit committee of the Corporation (the "Audit Committee") shall be composed of a minimum of three members of the board of directors of the Corporation (the "Board of Directors"), a majority of whom are independent. An independent director, as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110") is a director who has no direct or indirect material relationship which could, in the view of the Corporation's Board of Directors, be reasonably expected to interfere with the exercise of a members' independent judgment or as otherwise determined to be independent in accordance with NI 52-110.
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The chairperson of the Audit Committee (the "Chairperson") shall be appointed by the Board of Directors for a one-year term and may serve any number of consecutive terms.
4. Members of the Audit Committee must be financially literate which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity comparable to the accounting issues presented in the Corporation's financial statements.
5. The Chairperson shall, in consultation with management, establish the agenda for the meetings to ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, and the Chief Financial Officer.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.
10. The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

12. The Audit Committee is appointed by the Board of Directors pursuant to provisions of the *Business Corporations Act* (British Columbia) and the bylaws of the Corporation.
13. Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.
14. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
15. The Audit Committee shall have direct communication channels with the external auditor to discuss and review specific issues, as appropriate.

16. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determined necessary to carry out its duties.
17. The Audit Committee shall establish the compensation to be paid to any advisor employed by the Audit Committee and such compensation shall be paid by the Corporation as directed by the Audit Committee.

C. Relationship with External Auditor

18. An external auditor must report directly to the Audit Committee
19. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreement between management and the external auditor regarding financial reporting.
20. The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least an annual basis in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

21. The Audit Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
22. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
23. The Audit Committee shall direct the external auditor's examinations to particular areas.
24. The Audit Committee shall review control weaknesses identified by the external auditor, together with management's response.
25. The Audit Committee shall review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
26. In order to preserve the independence of the external auditor the Audit Committee will:
 - (a) Recommend to the Board of Directors the external auditor to be nominated; and
 - (b) Recommend to the Board of Directors the compensation of the external auditor's engagement.
27. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates together with estimated fees, and consider the impact on the independence of the external auditor.
28. The Audit Committee shall review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimated and judgments of management that may be material to financial reporting.
29. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employee of the present and most recent former external auditor of the Corporation.
30. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
31. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by CPAB.

E. Statutory and Regulatory Responsibilities

32. The Audit Committee shall review the annual audited financial statements and related management's discussion and analysis ("MD&A"), including any letter to shareholders and related press releases, and

recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimated with management and the external auditor.

33. The Audit Committee shall review the quarterly interim financial statements and related MD&A including any letter to shareholders and related press releases and approve them on behalf of the Board of Directors.
34. The Audit Committee shall review any documents containing financial information extracted or derived from the Corporation's financial statements prior to the public disclosure of the information.

F. Reporting

35. The Audit Committee shall report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
36. The Audit Committee shall report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharged them.
37. The Audit Committee shall review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.