

# **RUSORO MINING LTD.**

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## **INFORMATION CIRCULAR**

(Containing information as at October 31, 2019, unless otherwise stated)

**For the Annual General Meeting to be held on Tuesday, December 10, 2019**

*All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars and Canadian dollars are referred to as “C\$”.*

### **SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the Management of RUSORO MINING LTD. (the “Company”), for use at the Annual General Meeting (the “Meeting”), of the shareholders of the Company (the “Shareholders”), to be held on Tuesday, the 10<sup>th</sup> day of December, 2019, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.** The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of Proxy are Directors and/or Officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, OR BY TOLL FREE FAX 1.866.249.7775 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Instrument of Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a Special Resolution, in which case a majority of not less than two thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who have an interest in the motion and common shares held by their "associates", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("Broadridge"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Company has provided this Information Circular and Notice of Meeting to intermediaries for distribution to non-objecting beneficial owners (usually referred to as NOBOs for Non-Objecting Beneficial Owners). The Company will

not pay for an intermediary to deliver proxy related materials and voting instruction forms to objecting beneficial owners (called OBOs for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Company. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

The Company is not relying on the “notice-and-access” delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at October 31, 2019, the Company had 544,810,623 common shares issued and outstanding, each share carrying the right to one vote and no preferred shares issued and outstanding. Any Shareholder of record at the close of business on October 31, 2019 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and senior officers of the Company, the only person(s) or companies who beneficially own, or control or direct, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company are:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
Andre Agapov	83,632,167	15.35%
Gold Fields Netherlands Services B.V.	140,000,001	25.70%

### **EXECUTIVE COMPENSATION**

**Definitions: For the purpose of this Information Circular:**

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**closing market price**” means the price at which the Company’s security was last sold, on the applicable date,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**grant date**” means a date determined for financial statement reporting purposes under IFRS 2 Share-based Payment;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

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

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 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 Company, nor acting in a similar capacity, at the end of that financial year;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**“option-based award”** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**“share-based award”** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **COMPENSATION DISCUSSION AND ANALYSIS**

Compensation provided to the Company’s NEOs is determined and reviewed by the Company’s Compensation Committee. In establishing executive compensation policies, the Compensation Committee takes into consideration the recommendations of management and, following discussion and review, reports them to the Company’s full Board of Directors for final approval. The members of the Compensation Committee for the financial year ended December 31, 2018 were Gordon Keep (Chair), Abraham Stein and Peter Hediger, each of whom is considered to be “independent” as that term is defined in National Instrument 58-101 “Disclosure of Corporate Governance Practices”.

Compensation for the Company’s NEOs consists of:

- (a) Base Salary;
- (b) Option Based Awards;
- (c) Eligibility to Receive Bonuses in the Form of Cash Payments; and
- (d) Other Benefits.

The compensation being offered by the Company to its NEOs is in sync with the prevailing market conditions. The specific elements of compensation and compensation levels are based on what is required to attract and retain qualified and experienced executives to assist with the success of the Company and are intended to provide executives with appropriate compensation and incentives so as to encourage the further growth and development of the Company.

The Company does not currently have in place a share award program.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company’s compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Company’s compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

### Base Salary

In determining base salary compensation for the NEOs, the Company, in previous years, relied on information provided by executive placement firms to determine compensation paid by companies of similar size engaged in mineral exploration, development and production. Base salary compensation is also determined based on an assessment of each NEOs' experience, level of expertise, responsibilities and previous remuneration. Other factors considered include prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor and the Company's ability to pay. Effective January 1, 2014, the CEO's annual salary was reduced from \$540,000 to \$100,000 and subsequently reinstated on September 1, 2017, of which a portion is being accrued. The reduction was in recognition of the Company's limited cash resources and a decrease in the amount of time required to be devoted to the affairs of the Company following the nationalization by the Venezuelan government of the Company's gold mining assets in Venezuela. The reinstatement was due to the amount of time required in pursuing the enforcement and collection of the Award.

### Option Based Awards

The Company has in effect a stock option plan (the "Option Plan") in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. In determining option grants to the Named Executive Officers, the Compensation Committee together with management takes into consideration factors that include the amount and exercise price of previous option grants, the NEO's experience, level of expertise and responsibilities, and the contributions of each NEO towards the completion of corporate transactions in any given fiscal year.

Shareholders approved the Option Plan at the Company's last annual general meeting, and the Company will be asking Shareholders to re-approve the Option Plan at the Meeting. The significant terms of the Company's Option Plan are set out below under the heading "*Particulars of Other Matters to be Acted Upon - Re-Approval of Stock Option Plan*".

### Eligibility to Receive Bonuses in the Form of Cash Payments

The Compensation Committee, together with recommendations from management, awards bonuses based on both individual performance and corporate success at various times throughout the year, up to an aggregate of 100% of a Named Executive Officer's base salary for the year. The Company does not have any specific milestone criteria for issuing bonuses at this time. There were no bonuses paid to the Company's NEOs during the year ended December 31, 2018.

### Other Benefits

The Company is a party to a trust agreement and a contribution agreement whereby it agreed to pay to a trust established for the Board of Directors and management of the Company a success fee if the Company was successful in its arbitration (the "Arbitration") against the Bolivarian Republic of Venezuela. On August 22, 2016, the Arbitration Tribunal operating under the Additional Facility Rules of the World Bank's International Centre for the Settlement of Investment Disputes made an award (the "Award") to the Company in the Arbitration and, accordingly, the success fee will be equal to 2% of the proceeds received by the Company in respect of the Award. The trustees (the "Trustees") for the trust are independent directors and members of the Compensation Committee of the Board of Directors. The Trustees are empowered to allocate the success fee amongst the Board of Directors and management of the Company as they deem appropriate. As at the date of this Information Circular, the Company has not received payment of the Award so no funds have yet been paid to the trust and the amount payable can't be determined as yet.

The Company is also a party to a trust agreement and contribution agreement whereby it has agreed to pay to a trust established for members of management and the Executive Committee of the Board of Directors a success fee upon the completion of a transaction or series of transactions. Refer to "*Termination and Change of Control Benefits*".

The other benefits that are provided to the Company's NEOs are limited to payments consisting of contributions to life insurance, short and long-term disability insurance, health and medical insurance.

Other negotiable terms of compensation, such as payment on termination of employment and change of control, are reviewed and determined on an individual basis and are designed to be competitive overall with equivalent positions

in comparable organizations. Details of such terms for the Company’s NEOs are set out below under the heading “Termination and Change of Control Benefits”.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

Use of Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

**SUMMARY COMPENSATION TABLE**

In accordance with applicable legislation, the Company had two Named Executive Officers during the financial year ended December 31, 2018, namely Andre Agapov (President and Chief Executive Officer) and Jessica Van Den Akker (Chief Financial Officer).

The following table sets forth particulars of all compensation paid to the Named Executive Officers during the years ended December 31, 2018, 2017 and 2016:

Name and principal position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Andre Agapov President, Chief Executive Officer	2018	540,000 <sup>(1)</sup>	Nil	221,816 <sup>(4)(5)</sup>	Nil	Nil	Nil	Nil	761,816
	2017	246,667 <sup>(2)</sup>	Nil	289,512 <sup>(6)</sup>	Nil	Nil	Nil	Nil	536,179
	2016	100,000	Nil	Nil	Nil	Nil	Nil	Nil	100,000
Jessica Van Den Akker Chief Financial Officer	2018	Nil	Nil	4,953 <sup>(5)</sup>	Nil	Nil	Nil	Nil <sup>(3)</sup>	4,953
	2017	Nil	Nil	24,958 <sup>(6)</sup>	Nil	Nil	Nil	Nil	24,958
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) \$414,167 of Mr. Agapov’s 2018 salary was accrued and remains unpaid.

(2) Effective September 1, 2017, Mr. Agapov’s salary was reinstated from \$100,000 to \$540,000, with a certain portion to be accrued. \$100,000 of Mr. Agapov’s 2017 salary was accrued and remains unpaid.

(3) Fiore Management & Advisory Corp. (“FMAC”) received a total of C\$154,953 in advisory fees during the financial year ended December 31, 2018. Ms. Van Den Akker is an employee of FMAC.

(4) On June 27, 2018 the Company granted 3,750,000 options to Andre Agapov exercisable at a price of C\$0.075 per share until June 27, 2028. The methodology used to calculate this amount was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.60%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company’s financial statements.

(5) On January 29, 2018, the Company granted 1,000,000 options to Andre Agapov and 100,000 options to Jessica Van Den Akker, both exercisable at a price of C\$0.08 per share until January 29, 2028. The methodology used to calculate these amounts was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.60%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company’s financial statements.

(6) On February 3, 2017 the Company granted 2,900,000 options to Andre Agapov and 250,000 options to Jessica Van Den Akker, both exercisable at a price of C\$0.17 per share until February 3, 2027. The methodology used to calculate these amounts was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.13%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company's financial statements.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at December 31, 2018:

Name	Option-based Awards				Share-based Awards <sup>(2)</sup>		
	Number of securities 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-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andre Agapov	3,000,000 1,550,000 3,000,000 2,900,000 1,000,000 3,750,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$240,000 Nil C\$50,000 C\$206,250	N/A	N/A	N/A
Jessica Van Den Akker	250,000 100,000	C\$0.17 C\$0.08	Feb 3, 2027 Jan 29, 2028	Nil C\$5,000	N/A	N/A	N/A

(1) Based on the difference between the exercise price of the options and the closing price of the Company's common shares on the TSX Venture Exchange on December 31, 2018 of C\$0.13.

(2) The Company has not granted any share-based awards.

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

No incentive plan awards that were previously granted to Named Executive Officers vested during the year ended December 31, 2018.

4,850,000 stock options were granted to Named Executive Officers during the year ended December 31, 2018, however, because the exercise price of these options was equal to or greater than the market price of the Common Shares on the date of vesting, the value vested or earned was nil.

### Narrative Discussion

The only plan based award program that the Company currently operates with is its Option Plan. The Company's current Option Plan was adopted by the Board of Directors on October 27, 2016 and re-approved by the shareholders of the Company at the previous annual general meeting of the Shareholders held on December 12, 2018. The purpose of the Option Plan is to advance the interests of the Company, through the grant of options, by (1) providing an incentive mechanism to foster the interest of directors, officers, employees and consultants in the success of the Company; (2) encouraging directors, officers, employees and consultants to remain with the Company; and (3) attracting new directors, officers, employees and consultants.

The Option Plan is administered by the Board or the Compensation Committee established by the Board for the purpose of administering the Option Plan. At the present time, option grants are approved by either the Board or the Compensation Committee. It is the responsibility of the granting party to determine:

- (a) persons entitled to receive the option grant;
- (b) the number of options to be granted;
- (c) the exercise price, which shall not be less than market price for the Company's common shares at the date of grant;
- (d) an expiry date of no more than ten (10) years after the date of the grant; and
- (e) the manner, if any, in which the option shall vest and become exercisable.

The Option Plan is discussed in further detail below under the heading "*Particulars of Other Matters To Be Acted Upon – Re-Approval Stock Option Plan*".

#### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company has entered into agreements with its NEOs which contain terms relating to duties, salaries, compensation, benefits, termination, change of control and severance. The benefits provided to the Company's NEOs are standard benefits, as provided to all of its employees, which include life insurance, short and long-term disability insurance, health and medical insurance programs and plans. The following sets out further details for each NEO relating to their agreements with the Company with respect to other terms of their contracts:

##### ***Andre Agapov***

The Company and Mr. Andre Agapov entered into an agreement whereby Mr. Agapov fulfills the role of Chief Executive Officer of the Company. Pursuant to this agreement, Mr. Agapov is entitled to receive an annual salary in the amount of \$540,000 and, at the discretion of the Board or the Board's Compensation Committee, Mr. Agapov is entitled to receive an annual bonus of up to 100% of his salary. Pursuant to the agreement and subject to a change of control of the Company, Mr. Agapov is entitled to receive one year's salary and his previously granted options shall vest immediately and shall be exercisable for one (1) year from the date of the change of control. Assuming the agreement was terminated on December 31, 2018, Mr. Agapov would have been entitled to be paid \$540,000.

##### ***Trust and Contribution Agreements***

The Company is party to a trust agreement and a contribution agreement whereby it has agreed to pay to a trust established for members of management and the Executive Committee of the Board of Directors, a success fee upon the completion of a transaction or series of transactions. For the purposes of the contribution agreement, a "Transaction" is defined as: (a) any merger, consolidation, reorganization, recapitalization, restructuring, leveraged buyout, business combination, or any transaction pursuant to which the Company is acquired by or combined with a third party; or (b) the acquisition by a third party of any assets or operations of the Company, or any outstanding shares of the Company; or (c) a sale or spin-off of any material assets, of 5% or more of the capital stock of any subsidiary of the Company, or any transaction which has the effect of altering the capitalization of the Company. Where a change in control accompanies the Transaction, the success fee will be equal to 1% of the aggregate transaction value as defined in the contribution agreement. If the Transaction involves the acquisition of less than 50% of the voting power of the then outstanding Company's shares, then the success fee will be equal to 0.5% of the aggregate transaction value. As at the date of this Statement of Executive Compensation none of the Transaction criteria had been met and no funds have been paid to the trust.

#### **DIRECTOR COMPENSATION**

During the financial year ended December 31, 2018, the Company had seven directors. One of the directors, namely Andre Agapov is a NEO. Compensation for the NEO has been discussed above.

The following table sets forth particulars of all compensation paid to directors who were not NEOs during the year ended December 31, 2018:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Vladimir Agapov	100,000 <sup>(2)(3)</sup>	Nil	155,575 <sup>(5)(6)</sup>	Nil	Nil	Nil	255,575
Jay M. Kaplowitz <sup>(1)</sup>	50,000 <sup>(3)</sup>	Nil	70,707 <sup>(5)(6)</sup>	Nil	Nil	Nil	120,707
Gordon Keep <sup>(1)</sup>	50,000 <sup>(3)</sup>	Nil	70,707 <sup>(5)(6)</sup>	Nil	Nil	Nil <sup>(4)</sup>	120,707
Abraham Stein	30,000 <sup>(3)</sup>	Nil	48,526 <sup>(5)(6)</sup>	Nil	Nil	Nil	78,526
Peter Hediger	30,000 <sup>(3)</sup>	Nil	48,526 <sup>(5)(6)</sup>	Nil	Nil	Nil	78,526
Dmitry Ushakov	30,000 <sup>(3)</sup>	Nil	48,526 <sup>(5)(6)</sup>	Nil	Nil	Nil	78,526

(1) Member of the Executive Committee.

(2) This amount is paid to Mr. Vladimir Agapov for his services as Chairman of the Board of the Company.

(3) Of these amounts, one-quarter has been accrued and remains unpaid.

(4) Fiore Management & Advisory Corp. ("FMAC") received a total of C\$154,953 in advisory fees during the financial year ended December 31, 2018. Mr. Keep is the largest shareholder of FMAC. On January 29, 2018, the Company granted 200,000 options to FMAC exercisable at a price of C\$0.08 per share until January 29, 2028. These options were valued at \$9,905 and the methodology used to calculate this amount was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.60%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company's financial statements.

(5) On June 27, 2018 the Company granted 2,955,000 options to Vladimir Agapov; 1,000,000 options to each of Jay Kaplowitz and Gordon Keep; and 625,000 options to each of Abraham Stein, Peter Hediger and Dmitry Ushakov; all exercisable at a price of C\$0.075 per share until June 27, 2028. The methodology used to calculate this amount was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.60%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company's financial statements.

(6) On January 29, 2018, the Company granted 500,000 options to each of Jay Kaplowitz and Gordon Keep and 400,000 options to each of Vladimir Agapov, Abraham Stein, Peter Hediger and Dmitry Ushakov, all exercisable at a price of C\$0.08 per share until January 29, 2028. The methodology used to calculate these amounts was the Black-Scholes model. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes assumptions used by the Company were: i) annualized volatility: 75%; ii) expected life: 10 years; iii) risk-free interest rate: 1.60%; and iv) dividend yield: 0%; this is consistent with the accounting values used in the Company's financial statements.

## Narrative Discussion

All directors who are not considered management of the Company receive a director's fee every quarter in the amount of US\$7,500. The Company also pays members of its Executive Committee, other than Andre Agapov, a fee of US\$5,000 per quarter. Stock options are granted to the directors of the Company as an incentive and appreciation for their time and efforts provided to the Company.

## Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the directors who were not NEOs and which were outstanding at December 31, 2018:

Option-Based Awards					Share-Based Awards <sup>(2)</sup>		
Name	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) <sup>(1)</sup>	Number of share or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Vladimir Agapov	3,000,000 160,000 1,300,000 400,000 2,955,000	C\$0.60 C\$0.20 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil Nil C\$20,000 C\$162,525	Nil	N/A	N/A
Jay M. Kaplowitz	1,000,000 550,000 1,200,000 1,600,000 500,000 1,000,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$96,000 Nil C\$25,000 C\$55,000	Nil	Nil	Nil
Gordon Keep	1,000,000 550,000 1,200,000 1,600,000 500,000 1,000,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$96,000 Nil C\$25,000 C\$55,000	Nil	Nil	Nil
Abraham Stein	1,000,000 160,000 800,000 1,300,000 400,000 625,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$64,000 Nil C\$20,000 C\$34,375	Nil	Nil	Nil
Peter Hediger	1,000,000 160,000 800,000 1,300,000 400,000 625,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$64,000 Nil C\$20,000 C\$34,375	Nil	Nil	Nil
Dmitry Ushakov	1,000,000 160,000 700,000 1,300,000 400,000 625,000	C\$0.60 C\$0.20 C\$0.05 C\$0.17 C\$0.08 C\$0.075	Apr 23, 2019 Sept 1, 2020 Sept 9, 2023 Feb 3, 2027 Jan 29, 2028 June 27, 2028	Nil Nil C\$56,000 Nil C\$20,000 C\$34,375	Nil	Nil	Nil

(1) Based on the difference between the exercise price of the options and the closing price of the Company's common shares on the TSX Venture Exchange on December 31, 2018 of C\$0.13.

(2) The Company has not granted any share-based awards.

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

No incentive plan awards that were previously granted to directors who were not NEOs vested during the year ended December 31, 2018.

9,430,000 stock options were granted to directors who were not NEOs during the year ended December 31, 2018, however, because the exercise price of these options was equal to or greater than the market price of the Common Shares on the date of vesting, the value vested or earned was nil.

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

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2018:

**Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	54,435,000	US\$0.15	46,062 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	<b>54,435,000</b>	<b>US\$0.15</b>	<b>46,062<sup>(1)</sup></b>

- (1) *The number of securities remaining available is based on the difference between the number of stock options available for issuance under the Option Plan (54,481,062) less outstanding stock options at December 31, 2018 (54,435,000).*
- (2) *The Company's Option Plan reserves, for issuance pursuant to stock options, a maximum number of Common Shares as is equal to 10% of the outstanding Common Shares from time to time.*

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

Other than indebtedness that has been entirely repaid on or before the date of this Information Circular, “routine indebtedness” (as defined in Form 51-102F5 – Information Circular, of the Canadian Securities Administrators) or otherwise as disclosed hereunder, none of the Directors, Senior Officers, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed below herein or in the Notes to the Company’s financial statements for the financial year ended December 31, 2018, none of:

- (a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate 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 exclusive of the election of directors or the appointment of auditors.

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

For purposes of the following discussion, “**Informed Person**” means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2018, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the period ended December 31, 2018 (the “Financial Statements”), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Management Discussion and Analysis, are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Meeting, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from the Company's Registrar and Transfer Agent, Computershare Investor Services Inc. 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia, V6C 3B9, or from the Company's head office located at Suite 3123-595 Burrard Street, PO Box 49139, Vancouver, British Columbia, V7X 1J1.

## **REQUEST FOR FINANCIAL STATEMENTS**

National Instrument 51-102 “Continuous Disclosure Obligations” sets out the procedures for a Shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered Shareholders must also provide written instructions in order to receive the financial statements.

## **ELECTION OF DIRECTORS AND FIXING THE NUMBER OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at seven (7). Management has nominated seven (7) individuals to stand for election. Each director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders unless his successor is duly elected or until his resignation as a director. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

### **Advance Notice Provisions**

At the Company's 2013 annual general meeting, the Company's Shareholders voted to adopt amendments to the Company's Articles to include advance notice provisions (the “Advance Notice Provisions”). The Advance Notice Provisions include, among other things, a provision that requires advance notice be given to the Company in circumstances where nomination of persons for election to the Board are made by Shareholders of the Company. The Advance Notice Provisions set a deadline by which Shareholders must submit nominations (a “Notice”) for the election of directors to the Company prior to any annual or special meeting of Shareholders. The Advance Notice Provisions also set forth the information that a Shareholder must include in the Notice to the Company, and establish

the form in which the Shareholder must submit the Notice for that notice to be in proper written form. In the case of an annual meeting of Shareholders, a Notice must be provided to the Company not less than 30 days and not more than 65 days prior to the date of the annual meeting.

As of the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

**INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The seven nominees are all currently Directors of the Company.

<b>Name, Province and Country of Ordinary Residence and Positions Held with the Company</b>	<b>Principal Occupation<sup>(1)</sup></b>	<b>Date First Became a Director</b>	<b>No. of Shares Beneficially Owned, Directly or Indirectly<sup>(1)</sup></b>
<b>VLADIMIR AGAPOV</b> Director & Chairman London, England	Chairman of the Board of Directors of the Company; Owner & Manager of Worldwide Charters Inc.	November 7, 2006	4,650,000
<b>ANDRE AGAPOV</b> <sup>(4)</sup> Director, President & Chief Executive Officer London, England	Chief Executive Officer of the Company; President of MFC Securities (private investment firm) and Minera MS (mineral exploration company) for over five years.	May 10, 2007	83,632,167
<b>JAY KAPLOWITZ</b> <sup>(2)(4)</sup> Director New York, USA	Attorney and Partner at the law firm of Sichenzia Ross Ference LLP.	November 7, 2006	2,682,750
<b>GORDON KEEP</b> <sup>(2)(3)(4)</sup> Director British Columbia, Canada	CEO of Fiore Management and Advisory Corp. (private financial advisory firm).	November 7, 2006	3,231,000
<b>ABRAHAM STEIN</b> <sup>(2)(3)</sup> Director Connecticut, USA	Managing Director of East Wind Advisors (boutique investment bank); Managing Member of ANSR & Co LLC (real estate development company).	November 7, 2006	400,000
<b>PETER HEDIGER</b> <sup>(2)(3)</sup> Director Zurich, Switzerland	Consultant, former General Manager and Chief Executive Officer of MFC Merchant Bank SA (private investment bank).	November 7, 2006	33,094,600
<b>DMITRY USHAKOV</b> Director Moscow, Russia	Private Investor.	November 7, 2006	400,000

(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees as of October 31, 2019, being the Record Date of this Information Circular.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) Member of the Executive Committee.

**CEASE TRADE ORDERS, CORPORATE AND PERSONAL BANKRUPTCIES, PENALTIES AND SANCTIONS**

Other than as set out below, no proposed director (including any personal holding company of a proposed director):

- (1) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (A) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), 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 person was acting in the capacity as director, chief executive officer or chief financial officer;
  - (B) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (3) has, within the 10 years before the date of this Information 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
- (4) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (B) any other 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.

On May 21, 2013, the British Columbia Securities Commission (“BCSC”) issued a cease trade order against the Company for failure to file its audited financial statements for the year ended December 31, 2012 and related MD&A. On June 5, 2013 and June 7, 2013, respectively, similar cease trade orders were issued against the Company by the Ontario Securities Commission (“OSC”) and the Autorité des Marchés Financiers (“AMF”). On August 19, 2013 the Company filed its December 31, 2012 financial statements and related MD&A, and on August 21, 2013 the BCSC fully revoked the cease trade order it issued. On August 28, 2013, the AMF fully revoked the cease trade order and on September 4, 2013 the OSC fully revoked the cease trade order. The Company was unable to file its December 31, 2012 financial statements and MD&A by the required filing deadline because it experienced significant delays in preparing them due to the nationalization by the Venezuelan government of the Company's gold mining assets in Venezuela.

## **MANAGEMENT CONTRACTS**

Management functions of the Company are, and since the beginning of the financial year ended December 31, 2018 have been, performed by the directors and senior officers of the Company and are not to any substantial degree performed by any other person or corporation.

## **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

## **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this Information Circular as Schedule "B".

## **APPOINTMENT AND REMUNERATION OF AUDITORS**

Management recommends the re-appointment of Grant Thornton LLP, Chartered Accountants, of Vancouver, British Columbia, as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders and the remuneration to be fixed by the Board of Directors, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment. Grant Thornton LLP have been auditors of the Company since February 2007.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### ***Re-Approval of Stock Option Plan***

At last year's annual general meeting, the Company proposed and its Shareholders approved the Company's 10% "rolling" Option Plan. Under the policies of the TSX Venture Exchange, a rolling stock option plan must be re-approved on a yearly basis by shareholders. Shareholders will be asked to pass an ordinary resolution re-approving the Option Plan. The details of the Option Plan are set forth below:

- (a) the Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Common Shares of the Company equal to up to a maximum of 10% of the issued Common Shares of the Company at the time of any stock option grant;
- (b) an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Company at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Company calculated on the date an option is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Company, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Company, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);

- (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a “reasonable period” after the optionee ceases to serve in such capacity, as determined by the Board. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a “reasonable period” after the optionee ceases to serve in such capacity, as determined by the Board;
- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of the Company at the time of the proposed amendment;
- (l) The Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the Option Plan be final, conclusive and binding;
- (n) in connection with the exercise of an option, as a condition to such exercise the Company shall require the optionee to pay to the Company an amount as necessary so as to ensure that the Company 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
- (o) a stock option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Company prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Company pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's stock option will not be permitted where the optionee or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities.

“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Eligible Charitable Organization”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Market Price”, “Material Information”, “Person” and “Securities Laws” all have the same definition as in the policies of the TSX Venture Exchange.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the re-approval of the Option Plan.

The text of the resolution to be passed is as follows. As the resolution is an Ordinary Resolution, in order to be passed, a majority of the votes cast at the Meeting in person or by Proxy must be voted in favour of the resolution.

**“BE IT RESOLVED THAT** the Company's Option Plan dated October 27, 2016 be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable.”

**OTHER MATTERS**

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, or by telephone: (604) 609-6110 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

**DIRECTOR APPROVAL**

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

DATED at Vancouver, British Columbia, this 31<sup>st</sup> day of October, 2019.

***“Andre Agapov”***

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Andre Agapov  
Chief Executive Officer, President & Director

**RUSORO MINING LTD.  
(the "Company")**

**SCHEDULE "A"  
FORM 52-110F2**

**AUDIT COMMITTEE DISCLOSURE**

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**ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

***Purpose***

The overall purpose of the Audit Committee (the "Committee") of Rusoro Mining Ltd. (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

***Composition, Procedures and Organization***

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she 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 Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the Shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### ***Roles and Responsibilities***

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;

- (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;

- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of Shareholders.

5. The Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee; and
- (c) to communicate directly with the internal and external auditors.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are Gordon Keep, Abraham Stein, Jay Kaplowitz and Peter Hediger. All of the members are financially literate and all are independent with the exception of Gordon Keep. "Independent" and "Financially Literate" have the meaning used in National Instrument 52-110 ("NI 52-110") of the Canadian Securities Administrators.

## **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

NI 52-110 provides that an individual is "financially literate" if he or she 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 Company's financial statements.

All of the members of the Company's audit committee are financially literate as that term is defined in NI 52-110.

The relevant education and/or experience of each member of the Audit Committee is as follows:

***Gordon Keep*** - Mr. Keep has a Master of Business Administration degree from the University of British Columbia and many years' experience in the capacities of director, officer and audit committee member of public companies operating in the natural resource sector.

***Abraham Stein*** - Mr. Stein received from Brandeis University a summa cum laude B.A. in Economics. He worked as an investment banker for Bear, Stearns & Co. Inc. from 1992 to 2005, ultimately as a Managing Director. Mr. Stein is currently a Managing Director at East Wind Advisors, LLC, a boutique investment bank based in New York City, and the Managing Member of ANSR & Co LLC, a real estate development company.

***Jay Kaplowitz*** - Mr. Jay Kaplowitz is a founding partner of Gersten Savage LLP. Gersten Savage LLP ceased operations in September of 2012. He is currently a partner at Sichenzia Ross Ference LLP, a law firm specializing in corporate, banking and securities law. He received his JD from Boston University, where he was an editor of the Boston University Law Review, and his BA from the Brooklyn College, City University of New York.

***Peter Hediger*** - Mr. Hediger held the position of CEO of a fully licensed Swiss Bank till the end of 2007 and previously held various senior management positions with well-established international banks and financial institutions. Mr. Hediger has had over 22 years of experience in international banking, focusing on corporate finance, trading and portfolio management. He is currently acting as an independent consultant for individuals and corporations.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Grant Thornton, LLP, Chartered Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 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 fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows

	<b><u>FYE 2017</u></b>	<b><u>FYE 2018</u></b>
Audit fees	C\$25,383	C\$25,854
Audit related fees	Nil	Nil
Tax Fees	C\$13,910	Nil
All other fees	Nil	Nil
Total Fees:	C\$39,293	C\$25,854

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**RUSORO MINING LTD.**  
**(the “Company”)**

**SCHEDULE “B”**  
**CORPORATE GOVERNANCE**

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Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

**ITEM 1. BOARD OF DIRECTORS**

The board of directors (the “Board”) is comprised of seven (7) directors. Five of the directors are independent and two are not independent. The Board considers that Gordon Keep, Abraham Stein, Jay Kaplowitz, Dmitry Ushakov and Peter Hediger are independent directors. Vladimir Agapov and Andre Agapov are not independent directors. The Board of Directors of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Andre Agapov is not independent due to his positions as Chief Executive Officer and President of the Company and his position as a director and officer of many of the Company’s subsidiary companies. Vladimir Agapov is not independent because he is an immediate family member of Andre Agapov. The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries. Those directors who do not meet the meaning of independence as provided in NI 58-101 were deemed not to be independent directors. More information about each director can be found in this Information Circular.

**ITEM 2. DIRECTORSHIPS**

The directors of the Company are currently directors of the following other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
Gordon Keep	CruzSur Energy Corp. Klondike Gold Corp. Northern Dynasty Minerals Ltd. Oceanic Iron Ore Corp. Renaissance Oil Corp. Sandspring Resources Ltd. Vanadian Energy Corp.

**ITEM 3. ORIENTATION AND CONTINUING EDUCATION**

The Board of Directors of the Company brief all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

**ITEM 4. ETHICAL BUSINESS CONDUCT**

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract

or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### **ITEM 5. NOMINATION OF DIRECTORS**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

#### **ITEM 6. COMPENSATION**

The Board of Directors relies on its Compensation Committee to conduct reviews with regard to compensation for directors and officers, including the President and the Chief Executive Officer, throughout the year. The Compensation Committee has the responsibility for determining the compensation of the directors and officers and does so with reference to comparative organizations, taking into consideration such matters as time commitment, responsibility and trends in director and executive compensation. For more information regarding compensation paid to directors and executives please see related sections set out in this Information Circular.

The members of the Board that make up the Compensation Committee are Gordon Keep, Abraham Stein and Peter Hediger.

#### **ITEM 7. OTHER BOARD COMMITTEES**

In addition to the Audit Committee, and the Compensation Committee, the Board of Directors also has an Executive Committee, the members of which are Gordon Keep, Andre Agapov and Jay Kaplowitz.

#### **ITEM 8. ASSESSMENTS**

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and Committees.