AURANIA

AURANIA RESOURCES LTD.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 26, 2017

Dated April 25, 2017

AURANIA RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Aurania Resources Ltd. (the "**Company**") will be held at the Albany Club, Sir John A. Macdonald Room, 91 King Street East, Toronto, Ontario, M5C 1G3 on May 26, 2017 at 4:00 p.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2016 and the report of the auditors thereon;

2. to appoint UHY McGovern Hurley LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;

3. to elect the directors of the Company for the ensuing year;

4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Company's incentive stock option plan adopted on February 15, 2011;

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the text of which is attached as Schedule "A" to this information circular) (the "**Acquisition of EcuaSolidus S.A. Resolution**") authorizing and approving the acquisition of EcuaSolidus S.A. ("**ESA**"), a company incorporated under the laws of the Republic of Ecuador, from Dr. Keith Barron, the President and Chief Executive Officer of the Company (the "**Transaction**"), substantially on the terms and conditions set forth in the purchase and sale agreement dated February 27, 2017 (as defined in this information circular);

6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving a proposed shares for debt transaction;

7. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve and adopt the Restricted Stock Unit Incentive Plan ("**RSU Plan**") (the text of which is attached as Schedule "C" to this information circular); and

8. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

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

The Transaction is a "related party transaction" as set out in Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**") as Dr. Keith Barron, an officer, director and controlling shareholder of the Company, is also the sole beneficial shareholder of ESA (the "**Interested Party**"). As a result, the Acquisition of EcuaSolidus S.A. Resolution must be approved by an ordinary resolution of the votes cast on the Acquisition of EcuaSolidus S.A. Resolution excluding votes cast by shares owned or controlled by the Interested Party.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is March 31, 2017 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

NOTICE-AND-ACCESS

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

WEBSITE WHERE MEETING MATERIALS ARE POSTED

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the information circular, financial statements of the Company for the year ended December 31, 2016 ("**Financial Statements**") and management's discussion and analysis of the Company's results of operations and financial condition for 2016 ("**MD&A**") may be found on the Company's SEDAR profile at www.sedar.com and also on the Company's website at www.auraniaresources.com under "Investors". The Company will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

OBTAINING PAPER COPIES OF MATERIALS

The Company anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call the Company's transfer agent Capital Transfer Agency Inc. ("**Capital Transfer**") toll-free at 1.844.499.4482. Shareholders may also obtain paper copies of the information circular, Financial Statements and MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Company's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company or Capital Transfer, as applicable, by no later than May 12, 2017 ("**Request Deadline**") in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the "**Proxy Deadline**"). If a Shareholder elects to receive a document in a physical form, the Company shall send to that person such document within seven (7) days of receipt of notice of that Shareholder's election, subject to the Request Deadline.

VOTING

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A "beneficial" or "non-registered" Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with Capital Transfer (in the case of registered holders) at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax Number: 416.350.5008, prior to the Proxy Deadline, failing which such votes may not be counted, or your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline.

SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR BEFORE VOTING.

DATED this 25th day of April, 2017.

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

(signed) *"Keith Barron"*

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

AURANIA RESOURCES LTD.

MANAGEMENT INFORMATION CIRCULAR

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

GENERAL INFORMATION RESPECTING THE MEETING

Solicitation of Proxies

This information circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual and special meeting (the "Meeting") of the shareholders (the "Shareholders") of the Company to be held at 4:00 p.m. (Toronto time) on May 26, 2017 at the Albany Club, Sir John A. Macdonald Room, 91 King Street East, Toronto, Ontario, M5C 1G3, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the "Notice"). References in this information circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the "**Board**") has fixed the close of business on March 31, 2017 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Company's registrar and transfer agent, Capital Transfer Agency Inc. ("**Capital Transfer**") at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax: 416.350.5008 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

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

Unless otherwise stated, the information contained in this Circular is as of April 25, 2017.

Voting of Proxies

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

Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting,**

may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Capital Transfer, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.

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

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

Revocation of Proxies

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

(i) completing and signing a proxy bearing a later date and depositing it at the offices of Capital Transfer, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1;

(ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Capital Transfer, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or

(iii) in any other manner permitted by law.

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

Voting by Non-Registered Shareholders

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

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

(i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the

Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those voting instruction forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting**; or

(ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Capital Transfer at 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1, Fax Number: 416.350.5008.

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

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

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs. **As more particularly outlined below under the heading *"Notice and Access"*, Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.**

Notice and Access

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

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic

Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the information circular, financial statements of the Company for the year ended December 31, 2016 ("**Financial Statements**") and management's discussion and analysis of the Company's results of operations and financial condition for 2016 ("**MD&A**") may be found on the Company's SEDAR profile at www.sedar.com and also on the Company's website at www.auraniaresources.com under "Investors". The Company will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this information circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this information circular. **Shareholders are reminded to review this Circular before voting**.

Although this information circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a "notice package" via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and a supplemental mail list return card for Shareholders to request they be included in the Company's supplementary mailing list for receipt of the Company's interim financial statements for the 2016 fiscal year.

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

Shareholders with questions about notice-and-access can call the Company's transfer agent Capital Transfer toll-free at 1.844.499.4482. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporate Secretary of the Company.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company or Capital Transfer, as applicable, by no later than May 12, 2017 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Company or Capital Transfer, or b) their voting instruction form to their Intermediaries by its due date.

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of 1,000,000,000 Common Shares with a par value of $0.00001 per Common Share. As at the date hereof, there are 22,759,735 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at March 31, 2017 (the "**Record Date**"). All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent, Capital Transfer, within the time specified in the Notice, to attend and to vote thereat by proxy the Common Shares held by them.

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

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

Name of Shareholder	Number of Common Shares[(1)(2)]	Percentage of Common Shares[(1)(2)]
Keith Barron[(3)]	14,167,873	62.25%

Notes:
(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder listed above.
(2) On a non-diluted basis.
(3) The 14,167,873 Common Shares noted above are held by Bambazonke Holdings Ltd., a company controlled by Dr. Barron.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Company whose total compensation for the most recently completed financial year was individually equal to more than $150,000 (the "**NEOs**" or "**Named Executive Officers**"), during the Company's most recently complete financial year, being the financial year ended December 31, 2016 (the "**Last Financial Year**"). The only NEOs of the Company during the Last Financial Year were Dr. Keith Barron, the Company's President, Chief Executive Officer and Executive Chairman, and Donna McLean, the Company's Chief Financial Officer.

Compensation Committee

The compensation committee of the Board ("**Compensation Committee**") is currently comprised of three directors, namely Marvin K. Kaiser (Chairman), Elaine Ellingham and Gerald Harper, all of whom are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The Compensation Committee was appointed by the Board to assist in fulfilling its corporate governance responsibilities under applicable laws, to promote a culture of integrity throughout the Company, to assist the Board in setting director and senior executive compensation, and to develop and submit to the Board recommendations with respect to other employee benefits as the Compensation Committee sees fit. In the performance of its duties, the Compensation Committee will be guided by the following principles: (i) establishing sound compensation practices that are in the interests of shareholders and that contribute to effective and efficient decision-making; (ii) offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Company to meet its goals; and (iii) acting in the best interests of the Company and its shareholders by being fiscally responsible.

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

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

acquisition by Primero Gold Corp. and Gryphon Gold Corporation ("**Gryphon**"), and continues to serve on the compensation committee of Uranium Resources Inc.

Elaine Ellingham – Elaine Ellingham has served as member of the Compensation Committee since 2010. She is an experienced mining executive and geologist with over 30 years of experience in the mining industry. She is a consultant having provided geological and corporate finance services to international clients. She also spent eight years with the Toronto Stock Exchange, from 1997 to 2005, in a number of capacities including National Leader of Mining. She has been a director of Richmont Mines Inc. since 2010 and was Chair of the Compensation Committee from 2014 to 2016. Ms. Ellingham held the position of interim President and CEO of Richmont Mines from July through November 2014. She is currently a director and the Chair of the Compensation Committee of Wallbridge Mining Company Ltd. and was previously an independent director of NewWest Gold Corporation, where she was Chair of the Compensation Committee.

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

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

Compensation Process

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

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

Principles and Objectives of the Compensation Program

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

Compensation Program Design and Analysis of Compensation Decisions

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

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

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

Performance and Compensation

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

Base Salaries and Consulting Fees

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

As at January 1, 2013, the CEO's annual base salary is $Nil. The Company's CFO, Donna McLean, is compensated with an annual base salary of $60,000 pursuant to a consulting agreement dated January 1, 2013 between the Company and Ms. McLean. There were no changes made to the base compensation of the NEOs during or subsequent to the Last Financial Year.

Stock Options

The grant of options pursuant to the Company's stock option plan is an integral component of the compensation arrangements of the senior officers of the Company. The Board believes that the grant of options to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Company's long-term strategic objectives, which benefits the Shareholders. Options may be awarded to directors, officers, employees and consultants of the Company by the Board on the recommendation of the Compensation Committee. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards the Company's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size of such grants. Based on the foregoing factors, the Board did not grant any options during the Last Financial Year.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Company does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or

offset a decrease in market value of equity. However, to the knowledge of the Company as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

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

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

Summary Compensation Table for NEOs

Table 3 provides information for the Last Financial Year and the years ended December 31, 2015 and December 31, 2014 regarding compensation earned by each of the following NEOs:

Table 3. Summary of compensation earned by the Corporation's NEOs for the years ended December 31, 2014 through December 31, 2016.

Name and principal position	Year Ended Dec 31	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Keith Barron	2016	Nil	Nil	52,586	N/A	N/A	N/A	15,000[(2)]	67,586
President & Chief Executive Officer	2015	Nil	Nil	Nil	N/A	N/A	N/A	15,000[(2)]	15,000
	2014	Nil	Nil	Nil	N/A	N/A	N/A	15,000[(2)]	15,000
Donna McLean	2016	60,000	Nil	86,766	N/A	N/A	N/A	Nil	146,766
Chief Financial Officer and Secretary	2015	60,000	Nil	Nil	N/A	N/A	N/A	Nil	60,000
	2014	60,000	Nil	Nil	N/A	N/A	N/A	Nil	60,000

Notes:

(1) On July 13, 2016, the Company granted a total of 415,000 options to directors and officers, with an exercise price of $0.60 and an expiry date of July 13, 2021 of which Dr. Barron received 100,000 options and Ms. McLean received 165,000 options. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 137%, a risk-free interest rate of 0.65% and an expected life of 5 years. The fair value assigned to these options on the grant date was $218,232.

(2) Dr. Barron is also a director, and received director's fees of $15,000 in the Last Financial Year and previous two financial years.

Incentive Plan Awards to NEOs

Outstanding Share Awards and Option Awards

Table 4 provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2016.

Table 4. Summary of incentive plan awards for the Corporation's NEOs outstanding as of December 31, 2016.

	Option-based Awards				Share-based Awards	
Name	Number of Common Shares underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ($)
Keith Barron	700,000	0.40	April 11, 2018	147,000	N/A	N/A
	100,000	0.60	July 13, 2021	1,000	N/A	N/A
Donna McLean	175,000	0.40	April 11, 2018	36,750	N/A	N/A
	165,000	0.60	July 13, 2021	1,650	N/A	N/A

Note:

(1) Aggregate dollar amount of in-the-money unexercised options held as at December 31, 2016. This figure is computed based on the difference between the market value of the Common Shares on the TSX-V as at December 31, 2016, and the exercise price of the option. The closing price of the Common Shares on the TSX-V on December 31, 2016, was $0.61.

Incentive Plan Awards – Value Vested or Earned During the Year

Table 5 provides information regarding the value vested or earned on incentive plan awards for each NEO during the year ended December 31, 2016.

Table 5. Summary of the value vested or earned on incentive plan awards for the Corporation's NEOs outstanding as of December 31, 2016.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Keith Barron	Nil	Nil	Nil
Donna McLean	Nil	Nil	Nil

Note:

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

Incentive Plan Awards – Value Vested or Earned During the Year

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

Pension Plan Benefits

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

Termination and Change of Control Benefits

Employment Agreements

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

Dr. Keith Barron

Dr. Barron, the President and Chief Executive Officer of the Company, is entitled to receive an annual base salary of $Nil. Pursuant to a service costs agreement (the "**Geosource Agreement**") entered into between the Company and Geosource Exploration Inc. (a services and consulting company controlled by Dr. Barron, herein referred to as "**Geosource**") on January 1, 2013 and amended October 1, 2013, in consideration for services provided by Geosource to the Company (including project and office support), Geosource is entitled to receive a monthly service fee in the amount of $10,800 to compensate the direct costs of Geosource for services provided.

Donna McLean

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

Director Compensation

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

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

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

Director Compensation Table

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

Table 6. Summary of the total compensation paid to each of the Company's directors who are not NEOs in the year ending December 31, 2016.

Name[(1)]	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	All other Compensation ($)	Total ($)
Elaine Ellingham	15,000	Nil	26,293	Nil	Nil	Nil	41,293
Gerald Harper	15,000	Nil	26,293	Nil	Nil	Nil	41,293
Marvin K. Kaiser	15,000	Nil	26,293	Nil	Nil	Nil	41,293

Notes:

(1) On July 13, 2016, the Company granted a total of 415,000 options to directors and officers, with an exercise price of $0.60 and an expiry date of July 13, 2021 of which Ms. Ellingham and Messrs. Harper and Kaiser each received 50,000 options. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 137%, a risk-free interest rate of 0.65% and an expected life of 5 years. The fair value assigned to all these options on the grant date was $218,232.

(2) Dr. Barron is also a director, and received director's fees of $15,000 in the Last Financial Year and previous two financial years.

Incentive Plan Awards to Directors

Outstanding Share Awards and Option Awards

Table 7 provides information regarding the incentive plan awards for each director outstanding as of December 31, 2016.

Table 7. Summary of incentive plan awards for each director as of December 31, 2016.

	Option-based Awards				Share-based Awards	
Name[(1)]	Number of Common Shares underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[(1) 2)]	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ($)
Elaine Ellingham	175,000	0.40	April 11, 2018	36,750	N/A	N/A
	50,000	0.60	July 13, 2021	500	N/A	N/A
Gerald Harper	175,000	0.40	April 11, 2018	36,750	N/A	N/A
	50,000	0.60	July 13, 2021	500	N/A	N/A
Marvin Kaiser	175,000	0.40	April 11, 2018	36,750	N/A	N/A
	50,000	0.60	July 13, 2021	500	N/A	N/A

Notes:

(1) Aggregate dollar amount of in-the-money unexercised options held as at December 31, 2016. This figure is computed based on the difference between the market value of the Common Shares on the TSX-V as at December 31, 2016, and the exercise price of the option. The closing price of the Common Shares on the TSX-V on December 31, 2016, was $0.61.

(2) Dr. Barron was a director and a NEO of the Company during the financial year ended December 31, 2016. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs above.

Incentive Plan Awards – Value Vested or Earned During the Year

Table 8 provides information regarding the value vested or earned on incentive plan awards for each director during the year ended December 31, 2016.

Table 8. Summary of the value vested or earned on incentive plan awards for directors of the Corporation during the year ended December 31, 2016.

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

Note:
(1) Dr. Barron was a director and a NEO of the Company during the financial year ended December 31, 2016. Any compensation received by Dr. Barron in his capacity as a director of the Company is reflected in the Summary Compensation Table for NEOs above.

Incentive Plan Awards – Value Vested or Earned During the Year

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

The Company adopted an incentive stock option plan dated February 15, 2011 (the "**Plan**"), and the Plan is the Company's only equity compensation plan. As of the date of this Circular, the Company has 2,165,000 options outstanding to purchase Common Shares.

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

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

(a) The aggregate maximum number of Common Shares available for issuance from treasury under the Plan and all of the Company's other security based compensation arrangements at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the Plan, subject to adjustment or increase of such number pursuant to the terms of the Plan. Any Common Shares subject to an option which has been granted under the Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.

(b) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the TSX-V, the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.

(c) The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company at any given time, or within a 12 month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested Shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to options

granted to any one person or entity within any 12 month period shall not exceed 5% of the total number of Common Shares then outstanding unless disinterested Shareholder approval is obtained.

(d) The Board may determine when any option will become exercisable and may determine that the option will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule. However, unless the Board determines otherwise, options issued pursuant to the Plan will vest immediately on the date of grant.

(e) In the event an Optionee ceases to be eligible for the grant of options under the Plan, options previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the Plan, or such longer or shorter period as determined by the Board, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the date such person ceases to be eligible under the Plan.

(f) In the event of a Change of Control (as defined in the Plan), all options outstanding shall be immediately exercisable.

Equity Compensation Plan Information

Table 9 provides details of the equity securities of the Company authorized for issuance as of December 31, 2016, pursuant to the Company's equity compensation plan currently in place.

Table 9. List of the equity securities of the Company authorized for issuance as of December 31, 2016, pursuant to the Company's equity compensation plan currently in place.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[(1)]
Equity compensation plans approved by securityholders	2,165,000	$0.44	110,973
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	**2,165,000[(2)]**		

Notes:
(1) Based on a total of 2,275,973 stock options issuable pursuant to the Plan, representing 10% of the issued and outstanding Common Shares as at the date hereof.
(2) Representing approximately 9.5% of the issued and outstanding Common Shares as at the date hereof.

MATTERS TO BE ACTED UPON

1. Appointment of Auditors

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

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

2. Election of Directors

The Company's bye-laws provide that the Board consist of a minimum of three (3) and a maximum of 15 directors. At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Company. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Majority Voting for Directors

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

Nominees

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

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

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

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised[(1)]
Keith Barron *Valais, Switzerland*	July 2, 2007	Geologist, President and CEO of the Company.	14,167,873
Elaine Ellingham[(2)(3)(4)] *Ontario, Canada*	October 30, 2008	Corporate Director, Mining Executive, Strategic Advisor and Corporate Finance Consultant.	1,025,000
Gerald Harper[(2)(3)(4)] *Ontario, Canada*	October 30, 2008	Geoscientist and Engineer, President of Gamah International Ltd. since June 1991; President and CEO of MinFocus Exploration Corp. since January 2012.	150,000
Marvin Kaiser[(2)(3)(4)] *Kentucky, United States*	October 30, 2008	Accountant, President of Whippoorwill Consulting, LLC. since May 2006.	100,000
Richard Spencer *Ontario, Canada*	March 6, 2017	Geologist, President and CEO of U3O8 Corp. since January 2008.	5,000

Notes:

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

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 15,447,873 Common Shares, representing approximately 67.87% of the issued and outstanding Common Shares as of the date hereof.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or

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

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

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

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

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

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

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. Stock Option Plan Approval

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

The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents 2,275,973 Common Shares available under the Plan.

Outstanding options to purchase a total of 2,165,000 Common Shares have been issued to directors, officers, employees and consultants of the Company and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 110,973. For a brief description of the Plan, please see: "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".

The full text of the Plan will be supplied free of charge to Shareholders upon written request made directly to the Company at its registered head office located at Suite 1010, 8 King Street East, Toronto, Ontario M5C 1B5, Attention: Chief Executive Officer.

Shareholder Approval for the Plan

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

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

4. Acquisition of EcuaSolidus S.A.

On February 27, 2017 the Company entered into a definitive purchase and sale agreement to acquire ESA, a company incorporated under the laws of the Republic of Ecuador, from Dr. Keith Barron, the President and Chief Executive of the Company (the "**Transaction**").

Overview

ESA owns all of the rights, title and interest in and to forty-two mineral exploration licences, totaling 207,764 hectares in the Cordillera de Cutucú, located in the Province of Morona-Santiago in southeastern Ecuador (the "**Lost Cities - Cutucú Project**").

As at December 31, 2016, on an unaudited basis, ESA had total assets of $66,000, total liabilities of $132,000 and total shareholder deficit of $66,000. For year ended December 31, 2016, ESA had total revenue of nil and a total loss of $81,400.

Financing

As a condition of closing of the Transaction, the Company will complete a concurrent financing to raise aggregate gross proceeds of no less than $6,000,000 at a price of $2.00 per share (the "**Financing**"). Dr. Barron will be providing a loan to ESA prior to the closing of the Transaction in the amount of US$2.0 million in order to pay property fees due prior to the anticipated closing of the Transaction. Of this, US$1.0 million will be repaid at closing and the remaining US$1.0 million will be paid one year after closing with interest at 2.0% per annum. The Financing has been structured as an offering of 3,000,000 Subscription Receipts of the Company by way of a private placement subject to all required approvals at a price of $2.00 per Subscription Receipt for gross proceeds of $6,000,000. Pursuant to the Financing, up to 2,000,000 Subscription Receipts for gross proceeds of C$4,000,000 will be co-led by Maison

Placements Canada Inc. and Red Cloud Klondike Strike Inc. (collectively, the "**Agents**") in a brokered financing, and up to 1,000,000 Subscription Receipts for gross proceeds of C$2,000,000 will be offered by the Company and completed on a non-brokered basis. The Agents and the Company have the right to increase the offering by 15% for a total of 3,450,000 Subscription Receipts for gross proceeds of $6,900,000.

Upon satisfaction of the Escrow Release Conditions (as defined below), each Subscription Receipt shall be exchangeable for one unit of the Company (a "**Unit**"). Each Unit of the Company will consist of one common share of the Company ("**Share**") and one-half of one common share purchase warrant ("**Warrant**"). Each whole Warrant shall entitle the holder thereof to acquire one Share at a price of C$3.00 (the "**Exercise Price**") for a period of 18 months following the Closing Date. If the volume weighted average trading price of the Company's Shares on the Company's principal stock exchange exceeds C$3.00 for a period of 20 consecutive trading days, the Company may accelerate the expiry date to the date which is 30 days following the date upon which notice of the accelerated expiry date of the Warrants is provided by the Company to the holders of the Warrants.

100% of the gross proceeds from the Financing (the "**Escrowed Funds**") will be held in escrow on the Closing Date. The Escrowed Funds shall be released from escrow by the Escrow Agent to the Company upon the Agents' sole satisfaction of the following conditions (together, the "**Escrow Release Conditions**"): (i) the execution of a definitive agreement providing for the Transaction to the satisfaction of the Agents; (ii) the completion or irrevocable waiver or satisfaction of all conditions precedent to the Transaction; (iii) the receipt of all required shareholder, third party (as applicable) and regulatory approvals including, without limitation, the conditional approval of the TSX-V for the Transaction and the Financing, if applicable, and the conditional approval of the TSX-V of the listing of the Shares issuable upon conversion of the Subscription Receipts and exercise of the Warrants after giving effect to the Transaction; and, (iv) the Company and the Agents (on its own behalf and on behalf of the syndicate) having delivered a joint notice to the Escrow Agent confirming that the conditions set forth in (i) and (ii) above have been met or waived.

If the Escrow Release Conditions are not satisfied on or before May 31, 2017, the Escrowed Funds together with accrued interest earned thereon will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled. To the extent that the Escrowed Funds are insufficient to refund 100% of the purchase price of the Subscription Receipts to the holders thereof, the Company shall be responsible for any shortfall.

The Subscription Receipts and underlying securities are subject to a resale restriction of four months and one day after closing. As consideration to the Agents in connection with the Financing, a cash commission equal to 7% of the gross proceeds of the brokered portion of the Financing shall be payable upon satisfaction of the Escrow Release Conditions, and compensation warrants equal to 7% of the Subscription Receipts issued pursuant to the brokered portion of the Financing shall be granted. No commission is payable on subscriptions received from the non-brokered portion of the Financing. Each compensation warrant will be exercisable into one Unit at the Issue Price until the date which is 18 months following the Closing Date, provided that if the volume weighted average trading price of the Shares on the principal stock exchange upon which they are listed exceeds $3.00 for a period of 20 consecutive trading days, the Company may accelerate the expiry date to the date which is 30 days following the date upon which notice of the accelerated expiry date of the compensation warrant is provided by the Company to the Agents.

Proceeds from the Financing are specifically allocated to the Transaction for property exploration, loan repayments and working capital.

On April 19, 2017, the Company completed, on a brokered and non-brokered basis, an offering of 3,200,890 subscription receipts of the Company by way of a private placement at a price of C$2.00 per subscription receipt for total gross proceeds of $6,401,780.

Purchase Price

The independent directors, acting in good faith and in the best interests of the Company, considered, investigated and negotiated the terms of the Transaction against potential alternative transactions if any (including whether any transaction should be pursued at all) and whether the Transaction, on the terms proposed, or under any alternative terms is fair to all of the Company's shareholders. As a result of its review, the independent directors concluded that the proposed terms for the Transaction were fair and reasonable. In determining the acquisition price of the

Transaction, each of the independent directors conducted due diligence reviews of the current expenditures of ESA, future prospect of the Lost Cities - Cutucú Project, current market conditions and trends and considered what would create value for the Company. Having undertaken a thorough review of the Transaction, the independent directors concluded that the purchase price is fair to the shareholders of the Company.

As consideration for the purchase of all of the outstanding common shares of ESA, directly or indirectly, the Company will (i) issue 1,000,000 common shares to Dr. Barron and (ii) pay a cash consideration of $500,000 to Dr. Barron.

The Company will also settle all of the outstanding debt owed by the Company to Bambazonke Holdings Ltd., a company owned and controlled by Dr. Barron (the "**Creditor**") by issuing 375,000 common shares of the Company to the Creditor at a price of $2.00 per common share in an aggregate amount of $750,000. The particulars of the debt settlement are more fully described in the section entitled "*Debt Settlement*" in this information circular.

Royalty Agreement

On February 15, 2017, ESA entered into a royalty agreement with Dr. Barron (the "**Royalty Agreement**") pursuant to which ESA agreed to grant Dr. Barron a 2.0% net sales return royalty ("**NSAR**") on Not Smelted Products (as hereinafter defined) and a 2.0% net smelter return royalty ("**NSMR**") on Other Product (as hereinafter defined) with respect to the Lost Cities - Cutucú Project (the "**Properties**") and concessions which are considered to be reserved and are more particularly described in the Royalty Agreement (the "**Area of Influence**").

Pursuant to the Royalty Agreement:

(a) For all metals or minerals derived by ESA, or any subsequent transferee or assignee of ESA, from the Properties and if applicable, the Area of Influence, not requiring smelting including, without limitation, industrial minerals, aggregate products, precious stones, free gold, native silver, other precious metals and bulk mine tailings, waste rock, sand, gravel, trap rock and any materials removed from the Properties and if applicable, the Area of Influence, and sold for any purpose (collectively, the "**Not Smelted Products**"), Dr. Barron shall receive a royalty equal to the applicable percentage of the NSAR realized from the sale or disposition of the Not Smelted Products; and

(b) For all base and precious metals ("**Other Products**") derived by ESA or any subsequent transferee of ESA, from the Properties and if applicable, the Area of Influence, including base and precious metals obtained from the reprocessing of tailings, mine wastes and residues, Dr. Barron shall receive a royalty equal to the applicable percentage of the NSMR realized or deemed to be realized from the sale or disposition of the Other Products.

The percentage of the NSAR and percentage of the NSMR as described in (a) and (b) above, is 2.0% NSAR on Not Smelted Products and 2.0% NSMR on Other Product and, in the calculation of the royalty, such percentage is to be applied to 100% of the NSAR or NSMR, as the case may be, derived from the Properties and if applicable, the Area of Influence, regardless of dilution of Dr. Barron's working interest or entitlement with respect to this Royalty Agreement, the Properties, the Area of Influence or the Not Smelted Products and Other Products.

Pursuant to the terms of the definitive purchase and sale agreement to acquire ESA, the Company acknowledged that the royalty granted by ESA to Dr. Barron as set out in the Royalty Agreement shall continue to be in full force and effect subsequent to the closing of the Transaction.

Related Party Transaction

Dr. Barron is an officer, director and controlling shareholder of the Company and he is also the sole beneficial shareholder of ESA. Accordingly, the proposed Transaction is considered a "related party transaction" pursuant to MI 61-101. The Company is relying on the exemption available under section 5.5(b) of MI 61-101 from the formal valuation requirement on the basis that no securities of the Company are listed on a specified market set out in such section.

The Transaction was approved by Elaine Ellingham, Gerald Harper and Marvin Kaiser, who are independent within the meaning of NI 58-101 with Dr. Barron abstaining from participating in the vote. Other than the agreements relating to the Transaction, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with this Transaction.

Pursuant to section 5.6 of MI 61-101 shareholder approval is required for a related party transaction. This applies to the Transaction and requires disinterested shareholder approval whereby the votes of non-arm's length parties to the aforementioned Transaction must be excluded from the calculation of shareholder approval. Accordingly, the Company is requesting disinterested Shareholders to pass the ordinary resolution in respect of the Transaction (the "**Acquisition of EcuaSolidus S.A. Resolution**"), copies of which are set out as Schedule "A".

Dr. Barron has beneficial ownership, control or direction, directly or indirectly over 14,167,873 common shares of the Company, which represents 62.25% of all issued and outstanding common shares of the capital stock of the Company. To the knowledge of the Company, after reasonable inquiry, as at the date hereof, Dr. Barron will be precluded from voting any of the shares owned or controlled by him on the Acquisition of EcuaSolidus S.A. Resolution for the purposes of the disinterested shareholder approval as required by MI 61-101.

Board Recommendation

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

Technical Report on the Lost Cities – Cutucu Exploration Project, Province of Morona - Santiago, Ecuador

A technical report has been prepared for the Lost Cities – Cutucu Project in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* entitled, "Technical Report on the Lost Cities – Cutucu Exploration Project, Province of Morona-Santiago, Ecuador" (the "**Technical Report**"). The Technical Report was prepared by Karl John Roa, EurGeol, an independent consultant and a "Qualified Person" under National Instrument 43-101.

The technical information in this information circular is derived from the Technical Report. Karl John Roa, a EurGeol, has reviewed and approved the technical disclosure in this information circular.

Summary

Ecuasolidus S.A. ("ESA") is an Ecuador-based private mineral exploration company, incorporated in Quito on March 16th, 2015 and majority-owned by Dr. Barron. ESA is focused on grassroots mineral exploration activities in Ecuador. In March, 2016 the Company applied for 42 mineral exploration concessions following an eight-year freeze on the issuance of exploration licenses in Ecuador. Exclusive exploration licenses were granted on December 27th and 28th, 2016 for the 42 tenements that comprise the "Property" herein named the "Lost Cities – Cutucu Project" or the "Project". The exploration concessions were registered between February 9th and 16th, 2017. On February 27th, 2017, ESA entered into a definitive purchase and sale agreement with Aurania Resources Limited ("Aurania"), under which Aurania will acquire ESA. The terms of the acquisition are subject to approval by the TSX Venture Exchange, among other conditions such as raising sufficient funds for the recommended exploration program. At the request of Aurania, Karl John Roa, EurGeol ("the Author"), carried out an independent review and preliminary field investigation of the Property in November 2015.

The area of mineral concessions that constitute the Property total 207,764Ha or 2,077.64km^2 and cover the core of the Cordillera de Cutucú. This isolated mountain range forms the foothills of the main Andes mountain chain located between 2° and 3° south of the equator in southeastern Ecuador. With extreme topography, rising from a few hundred metres above mean sea level ("amsl") in the Amazon basin, and peaking at 2,460m, the Cordillera de Cutucú is sparsely inhabited and difficult to access. Modern mineral exploration techniques, to the Author's knowledge, have not been applied in the Project area due to prior restrictions on mineral exploration in the Cordillera de Cutucú.

However, recent amendments to the mining law in Ecuador have opened the area to exploration for the first time in decades.

There are two compelling factors that rank the Lost Cities - Cutucu Project as prime mineral exploration tenure:

1. The Cordillera de Cutucú forms a geological uplift similar to the adjacent Cordillera del Cóndor that lies immediately to the south. The two uplifts are separated only by a geographical feature – the Santiago River. Mineral exploration that started south of the river in the 1990's in the Cordillera del Cóndor has since identified substantial gold, silver and copper resources comprising a known metallogenic district. Examples of this rich mineral endowment are exemplified by the Fruta del Norte ("FDN") Deposit that is reported to contain measured and indicated resources of 7.4 million ounces ("Moz") of gold and 9.9Moz of silver (24 million tonnes ("Mt") at a grade of 9.6 grams per tonne ("g/t") gold and 12.9g/t silver). The largest known copper deposit in the Cordillera del Condor is San Carlos, reported to contain an inferred resource of 8.5 billion pounds ("Blbs") of copper in 657Mt of mineralized porphyry at a grade of 0.59% copper. The resource data provided on FDN and San Carlos have been obtained from information provided by third party companies and the Author has not undertaken an independent verification of the information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area. However, the geological formations and structural geological framework that hosts the extensive mineral deposits in the Cordillera del Cóndor plausibly extend into the Cordillera de Cutucú, hence, its prospectivity for high quality mineral deposits such as the epithermal gold-silver, skarn gold and copper-gold as well as copper-molybdenum-gold porphyry deposits that occur in the Cordillera del Cóndor. Since the discovery of this substantial mineral inventory in the Cordillera del Cóndor, the term Northern Andean Jurassic Metallogenic Belt has been used to describe mineral deposits hosted by this particular Jurassic-aged belt that extends from 3° North in Colombia to 5° South in Ecuador. The Cordillera de Cutucú is strategically located within this belt and thus warrants a concerted grassroots mineral exploration program.

2. Extensive historical research has been conducted over the last decade by professional archivists and specialists on Hispanic colonial era maps of northern South America. The research implies that two of seven "cities", namely Sevilla del Oro and Logroño de los Caballeros, are located in the Cordillera de Cutucú. Both were founded by the Spanish Conquistadores, owing to extensive local gold production in the late 16th Century. Five of the cities that appear on contemporary maps have been found; the last being Nambija - the extremely rich gold deposit that was rediscovered in 1981 in the Cordillera del Cóndor. These "cities" comprised wooden forts with thatched dwellings which, once abandoned, would have been rapidly reclaimed by the dense rainforest. Over a hundred insightful historic documents pertaining to the colonial Spanish enterprise in Ecuador were found in various libraries in Ecuador, as well as the Archivo Historico Arzobispal, Lima, the Riva Agüero Institute, Lima, the Biblioteca Nacional de España, Madrid, the Rare Book Section of the New York Public Library, the British Museum Library, as well as the Manuscript Section of the Apostolic Library in the Vatican and the Archivo de Las Indias in Seville. There is thus a compendium of both published and unpublished research that provides descriptions and other information about these two "cities". Some of the preserved manuscripts specifically refer to the Quinto royalty or "King's fifth", paid on gold production from the two aforementioned cities, now lost in the Cordillera de Cutucú. In addition, documents pertaining to the governor of the territory, Juan de Alderete, state that in its first year, almost 30,000 pesos (approximately 41,000oz) of gold were produced at Logroño.

The "Lost Cities – Cutucu Exploration Project" ("Project"), as the 42 contiguous concessions are named, represents an opportunity to apply modern mineral exploration techniques to an area that lies along trend of the Cordillera del Cóndor, along which significant mineral resources and reserves, particularly gold, copper and silver, are currently under development by third party mining companies.

It is thus recommended that a grassroots exploration program be carried out on the Property using proven empirical exploration methods similar to those used in the adjacent Cordillera del Cóndor by Aurelian Resources Inc. ("Aurelian") in its discovery of the FDN gold-silver epithermal deposit and by Gencor Ltd. ("Gencor") who discovered an extensive porphyry copper belt. A grassroots exploration program is outlined, with a total estimated budget of CAD$ 3,270,000, divided in two phases as follows:

Phase 1 – budget CAD$ 1,926,000:

- Remote sensing: interpretation of regional structure and stratigraphy from digital terrain and satellite imagery.
- Acquisition of Radarsat imagery over the license areas.
- A heliborne magnetic and radiometric survey is recommended over the entire Property at 400m line spacing, aimed at the identification of stratigraphic sequences, geological structures, the magnetic cores of porphyry copper centres and the magnetite-destructive alteration zones that could be related to various types of mineral deposit. Ancillary radiometric data would be used to help define potassic and sericitic alteration zones. Financial contingency is included so that compelling aeromagnetic anomalies can be in-filled at a 200m flight-line spacing to provide additional detail on specific targets.
- Regional stream sediment sampling would be undertaken with the aim of identifying metal anomalies associated with zones of mineralization. This first-pass sampling strategy would encompass a large area beneath rainforest cover, extracting the -80 mesh (<0.177mm) fraction from stream beds. Phase 1 would encompass sampling 8 of the principal drainage basins and would require the collection of approximately 700 samples at intervals of approximately 400m along the principal drainages. This program is expected to take approximately eight months to complete.
- Rock chip, channel and float sampling would also be undertaken where mineralization and hydrothermally altered zones are detected during the reconnaissance phase.
- Anomalous targets would be followed-up using the approach described below.

Phase 2 – budget CAD$ 1,344,000:

- Anomalies identified by airborne geophysics, remote sensing studies and the stream sediment sampling program undertaken in Phase 1 would be ranked for follow-up exploration activities.
- Stream sediment sampling of 54 secondary river basins would involve the collection of approximately 1,500 drainage samples, at a spacing of approximately 400m between samples. The objective of this secondary phase of exploration is to identify the less conspicuous mineralization that is not exposed over such large areas as that targeted in Phase 1. More subtle stream sediment anomalies may thus be identified from mineralization that is more deeply buried, or where only a small portion of the mineralized zone is exposed at surface. This phase is expected to take approximately 11 months to complete. However, compelling targets would be followed-up immediately upon their discovery, while other exploration teams would continue with the routine stream sediment sampling program.

Follow-up exploration would entail systematic ridge-and-spur sample traverses, or grid soil sampling, geological mapping, alteration studies, systematic channel and chip sampling, trenching (where deemed necessary), and ultimately scout-drilling. This work effort would form the basis of an ordered ranking of exploration targets for further drilling and/or geophysical surveys. These critical strategic aspects will be included in a future budget, to include financial contingency beyond the two-phase reconnaissance budget outlined above.

Property Description and Location

The Lost Cities – Cutucu Exploration Project, located in the Cordillera de Cutucú, consists of a contiguous block of 42 mineral exploration licenses extending north to south for 92km, and east to west for over 45km at their widest extent (Figure 1). Each exploration license is registered to Dr. Keith Barron and title to each has been transferred to ESA. Each license encompasses an area of between 4,869Ha and 4,950Ha. In total, the Properties encompass an area of 207,764Ha or 2,077.64km^2. The license areas cover the central part of the Cordillera de Cutucú, and are limited to the south by the Santiago River and to the north by the Pastaza River.

The contiguous mineral exploration license areas were applied for on March 1st, 2016 with boundary corners defined in UTM grid coordinates. Physical pegging of the license boundaries is not required by law. The mineral exploration license areas were granted to ESA on December 27th and 28th, 2016 by the Ministry of Mines of Ecuador in Quito, and were registered between February 9th and 16th, 2017.

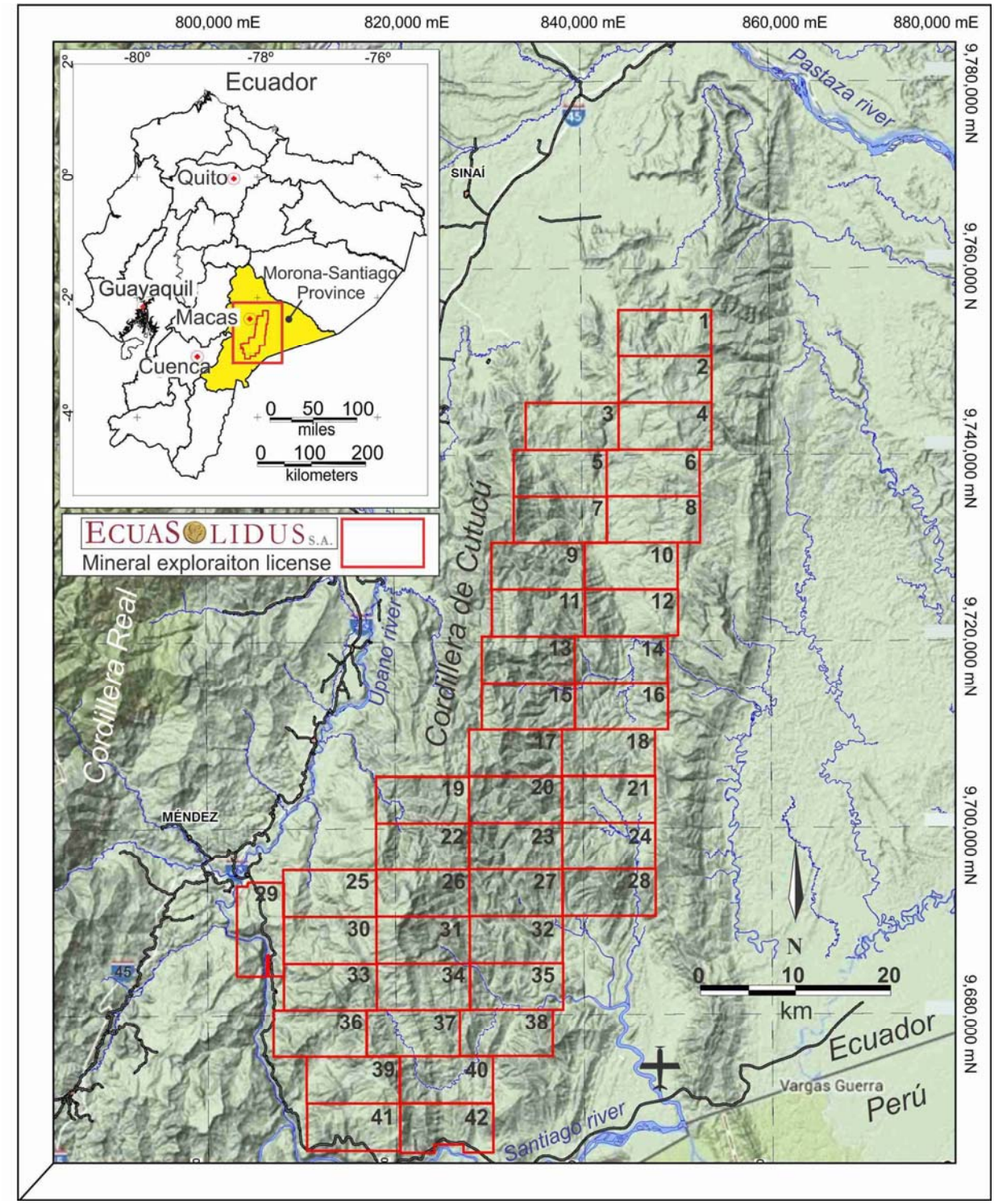

Figure 1. Physiographic map of the Cordillera de Cutucú showing the location of the mineral exploration licenses held by EcuaSolidus S.A.

The Properties are located approximately 376 road kilometres (260 line kilometres) to the south-southeast of the capital, Quito (population 1.7 million), and 140 line kilometres east-northeast of Ecuador's third largest city – Cuenca (population 332,000). The exploration licenses lie within the cantons of Morona, Sucúa, Logroño, Santiago and Tiwintza in the province of Morona-Santiago. The property boundaries lie between grid lines 803,100mE to 853,900mE, and 9,755,500mN to 9,665,300mN, using the local Provisional South American Datum ("PSAD") 56 within UTM zone 17S. The centre of the property is at approximately 828,479mE and 9,710,415mN (Zone 17S), corresponding with latitudes -2° 37' 11" south and -78° 2' 55" west.

Obligations for the Maintenance of Exploration Concessions

Under Ecuadorian law, the initial or reconnaissance-stage of mineral exploration can be conducted for a maximum of four years, whereas the ensuing phase of advanced exploration can extend for an additional four years. A subsequent economic evaluation phase lasts for two years, but is extendable for an additional two years. During the economic evaluation phase, the concession-holder is required to apply for the commencement of the exploitation phase of the project. Within six months of beginning the exploitation phase, the concession-holder is required to sign a mining exploitation contract with the Ecuadorian government, and negotiations regarding that contract may begin during the economic evaluation phase.

Once the initial exploration phase has been completed, and prior to initiating the advanced exploration phase, Ecuadorian mining law provides for a mandatory relinquishment of a part of the total area of the concession.

If a concession-holder wishes to transfer an existing concession to a third party, authorisation from the mining authorities must first be obtained.

In Ecuador, a mining concession confers the exclusive right to explore, exploit, process and sell any metallic minerals found within the concession. A mining concession is granted for up to 25 years and may be renewed for an additional 25-year period.

An annual exploration concession fee per hectare is required to be paid to the State by March 31st each year in order to maintain a concession in good standing. The fee is based on a percentage of the minimum mining wage that is set by the State, and hence the fee fluctuates from year to year. The fee that was required to be paid by March 31st, 2017 was US$9.37 per hectare.

Under the terms of an exploration license agreement, the Company is required to make exploration expenditures as follows:

- Year 1: US$5 per Ha;
- Year 2: US$5 per Ha;
- Year 3: US$10 per Ha;
- Year 4: US$10 per Ha.

Excess expenditures made on a concession in any one year may be carried over in partial fulfilment of the expenditure obligation for the following year. Annual expenditure and reporting on exploration undertaken on each concession is required to be filed with the Ministry of Mines by March 31st each year.

Exploration concessions can be cancelled should the license-holder misrepresent the stage of the licences' development, by causing an excessive environmental impact, irreparable damage to Ecuadorian cultural heritage, or by the violation of human rights.

Ownership of surface rights and the underlying mineral rights are separate articles under the laws and Constitution of Ecuador. Easements can be issued for access, for the construction of camps and for exploration infrastructure. The timeframes of such easements are concurrent with those of the associated mineral concessions.

ESA does not own the surface rights on any of the Properties in the Cordillera de Cutucú.

Owing to its remoteness and inaccessibility, surface rights over large tracts of the Cordillera de Cutucu are unclaimed. The remaining surface rights belong to various indigenous Shuar denominations, or are administered by the Shuar Federation under their respective jurisdictions in Morona-Santiago. The appropriate corporate social responsibility practice is to obtain permission from the surface rights holders for access to explore their land. There is a risk, therefore, that access will not be immediately forthcoming from all surface rights holders in the Project area, which would necessitate rescheduling components of the work program.

Legal Access and Permits

The majority of the Property lies within the 344,002Ha Kutucu-Shaime protected forest. This Protected Forest area was formally declared (Registro Official, Órgano del Gobierno del Ecuador), under official register No. 476, and ministerial resolution No.402, dated July 3rd, 1990 (Fig. 2).

Ecuador's Protected Forests are natural areas comprising public-, private-, and/or community-owned lands and are created to facilitate the management and protection of river basins and associated resources. Mineral exploration and mining activities may be undertaken in designated protected forests under a more stringent permitting and land management protocol for advanced-stage exploration activities such as trenching and drilling. Due consultation with local stake-holders is also required for exploration work planned in protected forests. As stipulated above, there is a risk that this consultation with local stake-holders may delay access to some parts of the Project, requiring rescheduling of the planned work program.

Exploration in a protected forest area requires that an environmental register ("Registro Ambiental") be obtained from the Ministry of the Environment. In addition, prior to the commencement of any exploration activities within a protected forest area, a basic forestry inventory is required to be undertaken and approved by the Ministry of the Environment.

The reconnaissance level mineral exploration activities proposed for the first two years of the four-year exploration concession granted for the Properties by the Ministry of Mines, do not necessitate an environmental impact assessment.

Royalties and Windfall Tax

A press release by Aurania dated March 2nd, 2017, stated that a definitive purchase and sale agreement entered into between ESA and Aurania, stipulates a net smelter royalty ("NSR") of 2% and a 2% net sales royalty on non-smelted products, such as aggregate, is payable to Dr Keith Barron from any future production from the Properties. The definitive purchase and sale agreement, dated February 27th, 2017 between ESA and Aurania has not been reviewed by the Author. The Author is unaware of any option agreements or joint venture terms implicit in the title of the Properties, nor obligations on the land covered by them.

Ecuadorian Mining Law defines a sliding-scale NSR of between 5% and 8%, payable to the State, from large-scale production (>1,000 metric tons per day ("tpd") from underground operations or >2,000 tpd from an open pit mine).

The Mining Law stipulates that, within six months of the exploitation phase commencing, the concession-holder is required to sign a mining exploitation agreement with the Ecuadorian government. The mining exploitation agreement addresses the framework of application of the windfall profit tax of 2009, to each potential mining operation.

An example of a recent mining exploitation agreement is provided by the accord reached in January 2016, between Lundin Gold Inc. and the Government of Ecuador. The agreement includes a 5% NSR, conditional on the advance payment of US$65 million. Most significantly, the amended Mining Law delays the application of the windfall profit tax until the complete investment made in the project is recovered by the mine owner. For FDN this includes the present value of the actual cumulative investment incurred from the signing of their exploitation agreement, until the start of mine production (Lundin Gold, 2016). A windfall tax would apply to FDN in the event that gold prices exceed a base price of US$2,200 per ounce, and the tax would be indexed to monthly inflation as defined by the United States Consumer Price Index.

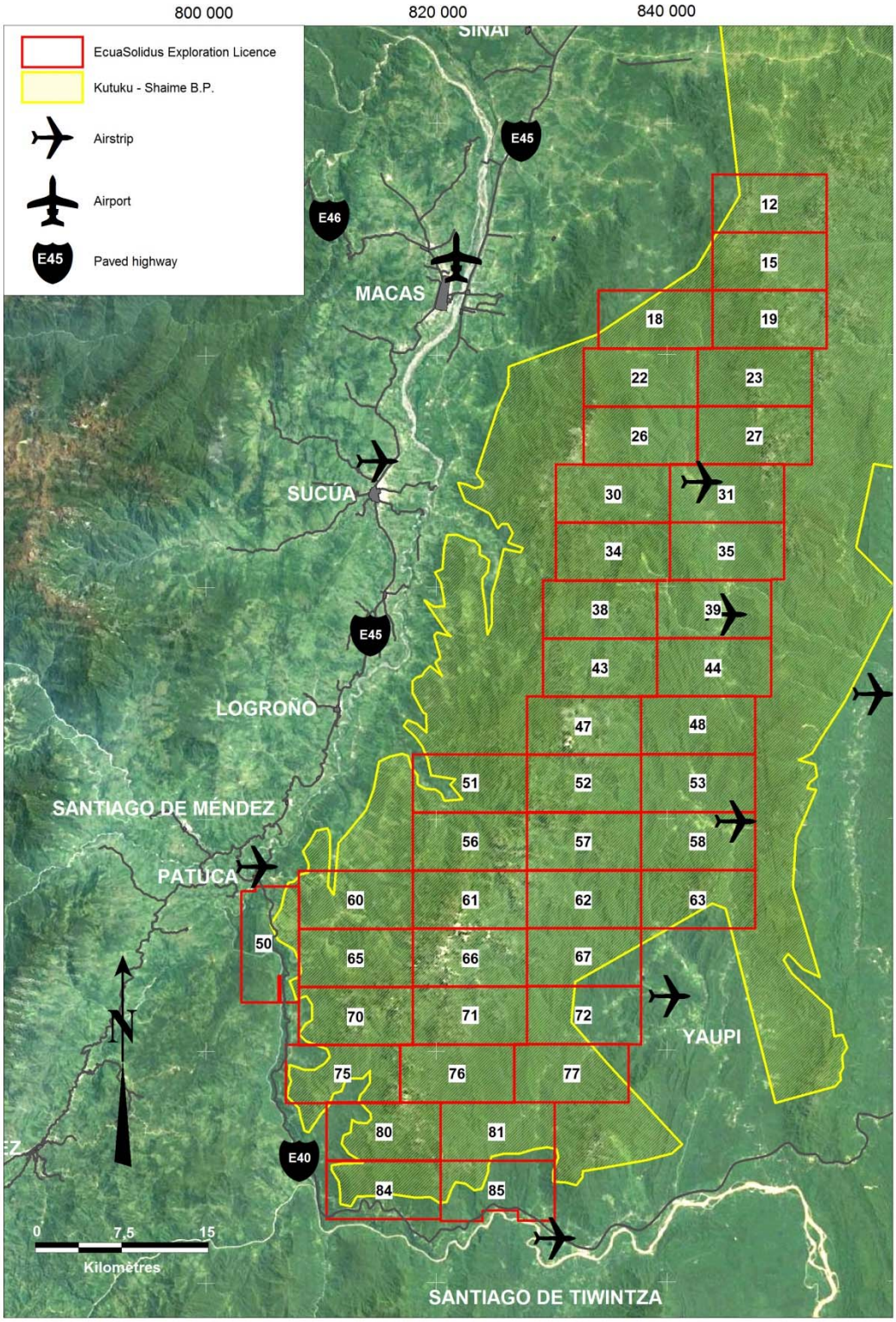

Figure 2. Landsat image (2001) of the Cordillera de Cutucú showing the location of the Properties of the Lost Cities – Cutucu Project, paved highways, rivers, main population centres and the limits of the Bosque Protectora (B.P) Kutuku-Shaime.

Environmental Liabilities

The Author is not aware of any environmental liabilities to which the Property is subject.

Physiography

The Cordillera de Cutucú, the Cutucú Uplift or the Cutucú Dome, as it often referred to in geoscientific literature, forms a distinctive mountain range and fluvial network which, along with the Cordillera del Cóndor, forms the eastern foothills of the Ecuadorian Andes. The Rio Santiago marks the division between the Cordillera de Cutucú to the north and the Cordillera del Cóndor to the south.

The Cordillera de Cutucú is located between 2° south and 3° south of the equator (Fig. 1). It is separated from the higher elevation Cordillera Real by the 8km wide Upano River valley. The course of the Upano River narrows as it flows to the south through the Rio Namangosa gorge and joins the Santiago River. Its waters subsequently flow eastward, defining the southern limit of the Cordillera de Cutucú and of the Project area. The Cordillera del Cóndor rises to the south of the Santiago River into the province of Zamora-Chinchipe. The northern limit of the Cordillera de Cutucú is defined by the Pastaza River that flows to the southeast into the Amazon flat-lands which are typically 200m-300m amsl. The topography in the Project consists of deeply dissected tropical montane slopes and table-mountain highlands, or "*tepuis*", spanning elevations of between 280m and 2,480m amsl. Some streams continue at sub-surface as extensive and often spectacular caverns.

The 8 major fluvial basins that lie within the Project area all drain into the Amazon flat-lands. The longest river in the Project area is the Rio Mangosiza, flowing north to south for over 80km, and constitutes the inter-montane drainage divide between the two principal ranges of the Cordillera de Cutucú. The longer and broader of the Cutucú ranges that flanks the east bank of the Upano River, extends north-northeast by south-southwest for over 85km and includes the highest point, the Pico de Puma, at 2,460m. The smaller, yet more northerly component of the range extends an additional 30km northwards and tapers out towards the vast alluvial piedmont or outwash fan of the Pastaza River. The eastern flanks of the Cordillera de Cutucú rise abruptly from the Amazonian flat-lands as a distinctive escarpment, comprising the eroding antiformal flank that narrows southwards along a steep ridge-line.

Uplift and the associated mosaic of fault dislocations are visible as abrupt jogs, lineaments and angular offsets in the mountain topography and drainages, hence geological structure can be reconciled in detail from remote sensed data.

Accessibility

The Project area is remote, rugged and difficult to access due to its steep and incised terrain and lack of infrastructure. Despite the numerous wooden and concrete suspension bridges that span the Upano River to its lowermost western slopes, the terrain has proven to be a formidable barrier to development, hence the extremely low population density throughout the Cordillera.

The concerted construction of paved roads in Amazonian Ecuador commenced in 1965 as oil exploration and associated infrastructure expanded southward. This led to the construction of the Trans-Amazon highway which follows the course of the Upano River to the immediate west side of the Project area. Several frontier towns and hamlets are located along state highway E45 which parallels the western flank of the Cordillera de Cutucú.

Of these – Macas (elevation 1,028m amsl), the provincial capital of Morona-Santiago, is the largest town with a population of over 14,000 inhabitants, the centre of which is located on the west bank of the Upano River. From the Ecuadorian capital Quito to Macas by road is 376km, a travel time of approximately 8 hours. Macas is in turn serviced by highway E46 which winds through the Cordillera Real to the city of Riobamba (population over 157,000). Ecuador's third largest city – Cuenca is 118km to the southwest of Macas. The airport at Macas has a paved, all-weather, 2.5km long runway that can handle commercial jet aircraft. During the Author's field studies there were daily scheduled flights between Macas and Quito with a travel time of approximately one hour, as well as between Macas and Tena, a town to the north. Macas airport also serves as a hub for small commercial aviators to Taisha and other outlying Shuar and frontier communities located within, or east of, the Cordillera de Cutucú.

Other major hamlets, such as Sucúa, Logroño and Santiago de Mendez, are located south of Macas along highway E45 (Fig. 2). This paved road branches at the village of Patuca and continues as paved highway E40 around the

southern margin of the Project area, and southern tip of the Cordillera de Cutucú, to the frontier town and military air base at Santiago, also known as Tiwintza. This checkpoint is located approximately 9km from the Peruvian border. From most of these hamlets, access via dirt tracks is limited to the lower reaches of the Cordillera de Cutucú along its western and southern flanks.

There is no dirt track access into the central part of the Project area – in the highlands of the Cordillera de Cutucú, or for that matter, beyond an elevation of approximately 1,300m on the westernmost slopes. Networks of poorly maintained footpaths exist throughout the Project area but each requires local knowledge to navigate. The northern extremity of the Project area is accessed immediately north of Macas by a dirt track leading to the lowland village of Taisha.

In terms of regional access to the Project area, asphalt roads in the province of Morona-Santiago are generally well maintained and drained, whereas spur roads, comprising compact dirt roads and concreted stretches in and around the cantons and small towns, are heavily pocked by washouts and are poorly maintained.

Climate

The tropical montane rainforests and eastern lowlands of Amazonian Ecuador have an equatorial climate, characterized by high humidity with no really distinguishable summer or winter months. Air masses moving westward from the Amazon lowlands have to rise over the eastern Cordillera (Cordillera Real), resulting in the formation of large cumulus and cumulonimbus cloud masses. Owing to its longitudinal extension, elevation range and deeply dissected and fragmented topography, the Cordillera de Cutucú exhibits a graduation of tropical to sub-tropical microclimates which significantly impacts the distribution and diversity of biota.

While the seasonal variations in temperature are rather subtle, precipitation varies between 2,000mm and 3,000mm per year but can reach up to 4,500mm per year. The typical temperature range is between 17°C and 24°C, depending on elevation; sometimes rising to 28°C in the lowlands. Humidity levels range between 80% and 100%. Field activities can be conducted all year round but can be influenced by flooding, by low standing rivers and lightning during tropical thunderstorms. The optimum period for airborne geophysical surveys/LIDAR and the acquisition of satellite imagery is from October to December when clearer and drier weather conditions prevail.

Vegetation and Agriculture

The variability of humid montane relief and contrasting substrate compositions, together with the isolation and fragmentation of sandstone highland mesas and other topographic barriers, gives rise to a large diversity of plant and animal species and habitats in the Cordillera de Cutucú. The dominant vegetation in the Project area comprises tropical evergreen and broad-leafed forest canopies, typically around 25m tall. With increasing elevation and changing substrate composition, lowland forests give way to elfin cloud forests less than 10m tall, heathlands and other areas of stunted shrub growth. Bromeliads, orchids and species of ginger are among the flower species that predominate in these conditions. The stature of plants generally decreases atop of the sandstone mesas due to the lack of nutrients in the often acidic sandy colluvium, as well as the lower temperatures of these higher-elevation areas.

Due to the extremes of topography and the lack of access into the Cordillera highlands, agricultural activity is largely confined to below 1,200m amsl, mostly on the western slopes on the east bank of the Upano River adjacent to the Project. The eastern slopes are largely undisturbed by human activity aside from localized subsistence or swidden horticulture plots, as traditionally practiced by Shuar inhabitants. The interior ridges and highlands of the Cordillera de Cutucú, in which a large part of the Project lies, represent pristine environments.

The Upano River valley, which lies immediately west of the project area, has largely been cleared and converted to pasture and plantation lands with significant secondary growth occurring along its banks. Sugar-cane, palm fibre, plantain, yucca, bananas, rice, cacao, papaya, coffee and other tropical fruit production is the mainstay of the local agro-economy along with cattle ranching, and to a lesser extent, fishing and lumber. Deforestation and fragmentation of ecosystems is prevalent along the paved highways and their secondary and tertiary spur routes. Timber harvesting within the Kutuku-Shaime protected forest is illegal, but nevertheless proceeds uncontrolled in road-accessible areas.

Infrastructure

Infrastructure in the Project area is minimal; it is largely confined to foot trails with paved road access along the southern limit of the Project.

In terms of regional infrastructure, Morona-Santiago province's population of 180,000 is concentrated along the Trans-Amazon highway E45 that flanks the western side of the Project area. Macas, founded in 1599 (and often referred to in colonial history as Macabeo), is the largest town and serves as the provincial capital. It is located opposite the northern part of the Cordillera de Cutucú in the canton of Morona. The population of over 14,000 inhabitants relies on agriculture, retail marketing, service industries such as restaurants, bars and hotels, vehicle repair and banking, as well as government services and associated contracting. In addition, Macas is the principal transportation hub in the province, with numerous coach and bus companies providing scheduled and chartered services throughout Morona-Santiago and beyond.

There are large general hospitals in Macas and Sucúa, and health clinics in most population centres that have more than 1,000 residents. All of the main hydro-electric dams >100MW in the province are accessed from the E45 highway.

A new run-of-river hydro-electric plan for the Abanico River is in the permitting stage. This 14MW project has garnered significant public support since it will also augment the water supply to Macas. In addition, public support for the extension and improvement of the Macas-Taisha highway (aka vía Macuma-Taisha) has become an important counterpoint in the socio-economic development of Morona-Santiago.

Agricultural activities parallel the E45 highway in a swath approximately 10km wide. Small extractive industries for sand and gravel are commonplace along the broad and braided course of the Upano River.

On a provincial level, agriculture, dominated by livestock farming, accounts for over 40% of the local economy, construction <9%, and aggregate quarrying just over 2%. These figures are from the Canton of Mendez for the year 2013. Tourism is increasing in the form of adventure hikes, rafting and caving expeditions. Associated small industry, including craftwork by Shuar artisans and the performance of cultural ceremonies that illustrate the traditions of the Shuar people, are also developing.

Exploration History

To the Author's knowledge, there is no documented history of modern, systematic mineral exploration in the Project area.

In terms of the region in which the Project is located, preliminary exploration of the Upano River was undertaken on behalf of the Leonard Petroleum Exploration Company of New York. Royal Dutch Shell Corporation commenced an exploration program for petroleum in the Cordillera de Cutucú in the 1940's which, after several years of investigation, failed to produce any significant results. Subsequent expansion of oil exploration and production infrastructure, in particular the paved highways from the Oriente Basin southward, has led to a series of studies into the nature of the Cretaceous and Jurassic rocks in the Project area and the Cutucú Uplift. Notwithstanding the major oil endowment of Ecuador's portion of the Oriente Basin, which contains the third largest reserve of conventional oil in South America after Venezuela and Perú, the Cordillera de Cutucú appears to be deficient in recoverable oil, despite representing the emergent part of an otherwise highly productive system of half-grabens.

Geological Setting and Mineralization

I. The geotectonic context of Ecuador

Ecuador is situated along the northern segment of the Andes mountain chain and comprises three principal geo-tectonic domains fronting a major convergent plate boundary (Fig. 3). The trend of the Andes changes markedly in southern Ecuador from north-northeast to south-southeast. This is due to a major geological boundary or flexure zone termed the Huancabamba Deflection. Ecuador's geological make-up is dominated by the actively subducting oceanic Nazca plate, and the overriding South American continental lithosphere, the latter featuring 18 active volcanoes that comprise the southern end of the Northern Volcanic Zone of the Andes. Sangay Volcano, having erupted three times in recorded history (between 1628 and 1934), is located 48km northwest of the Properties and has been episodically

active since the eruption of 1934. No less than four volcano-magmatic arcs have formed in response to the subduction process; their volcanic and magmatic assemblages subsequently accreted to the Andes and Amazon basin. Similar magmatic arcs world-wide contain some of the largest gold and copper deposits.

The collage of trench-parallel geological terranes in Ecuador (Fig. 3) attests to the accretion of oceanic plateau and island-arcs. The thickened oceanic crust of the Carnegie Ridge is currently undergoing subduction along the Ecuador-Colombia Trench. The Andean orogenic period commenced during the Upper Triassic with the development of what is now South America, in response to Tethyan rifting. In the Lower Jurassic, the development of a major continental magmatic arc in Colombia and Ecuador, limited to the south by the Huancabamba deflection, gave rise to eruptions of andesitic lava flows and the emplacement of I-type granodioritic intrusions in the Cordillera Real and the Sub-Andean zone. To the east, continental clastic sediments filled a back-arc basin - the Oriente Basin. The calc-alkaline magmatic activity continued during the Middle and Upper Jurassic before a hiatus in sedimentation occurred.

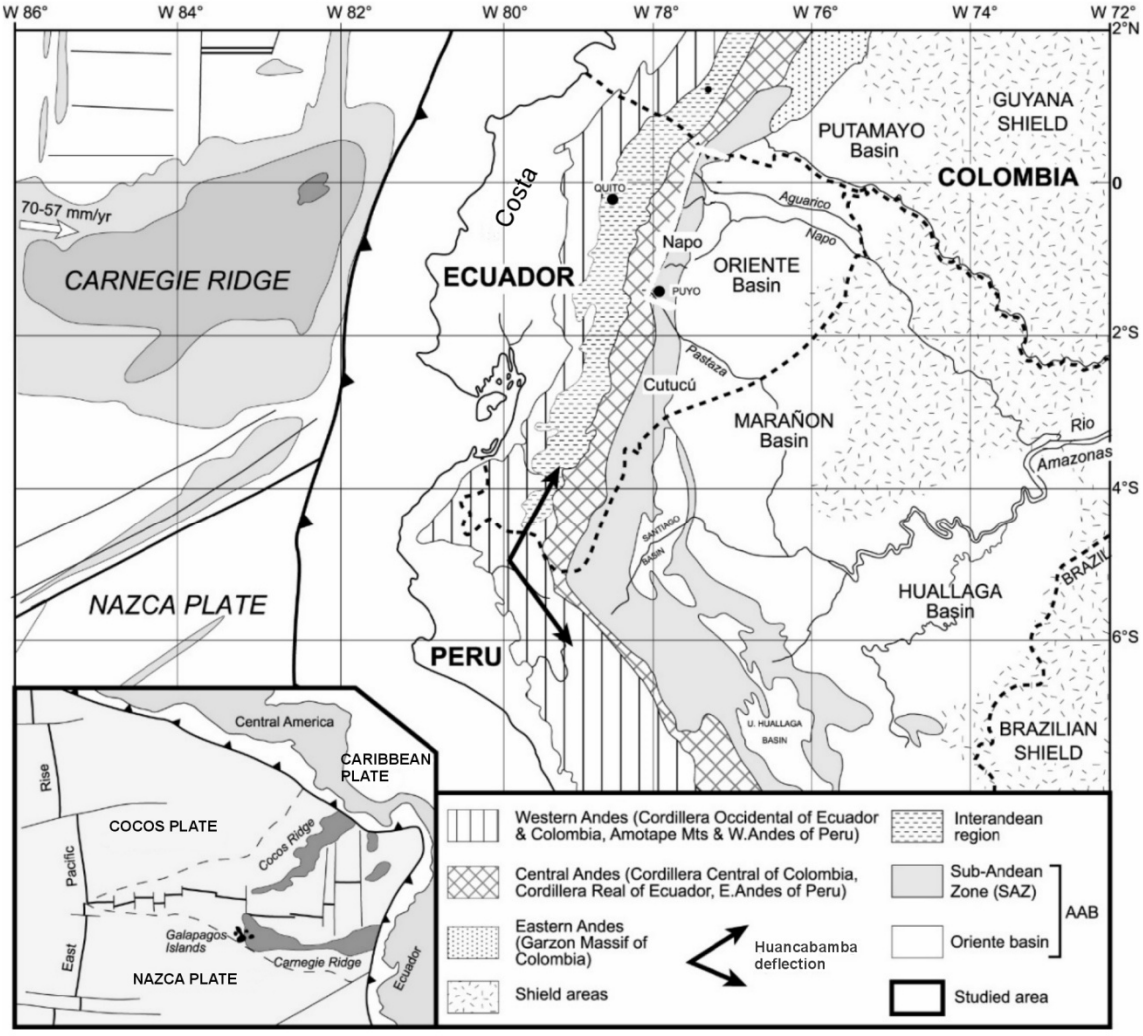

Figure 3. Geotectonic map of Ecuador and surrounding basins (from Ruiz, 2002).

During the Cretaceous, a series of marine transgressions and regressions led to the widespread deposition of continental sandstone deposits, followed by alternating sequences of mudstones, limestones, and minor sandstone intervals. Cordilleran uplift occurred during a period of compression related to renewed collision along the northern Andean margin during Upper Cretaceous to Early Tertiary. From the Paleocene, the magmatic activity restarted with the development of a new magmatic arc further to the west.

The tectonic framework of Ecuador is manifested by regional north-northeast to south-southwest lineaments or sutures that formed since the Mid-Tertiary period, reactivating the inverted fault systems of a Triassic - Jurassic aborted rift system, as well as Mesozoic sutures located between the accreted domains. A second system of structures, oriented northwest-southeast, constitutes transfer zones between these major sutures. These particular right-lateral faults were preferred sites for the intrusion of small tonalite and granodiorite plutons and stocks.

II. Geology of the Cordillera de Cutucú

The strata forming the Project area in the Cordillera de Cutucú were once part of the greater Oriente Basin. This formed a system of extensive half-grabens filled with Triassic and Jurassic sedimentary sequences on Palaeozoic basement, and was covered by Cretaceous sedimentary sequences that can be stratigraphically correlated between Colombia in the north and Perú in the south. The Cordillera de Cutucú is an immense, thick-skinned uplift of the half-graben system in which cover sequences of Cretaceous strata have been deformed into a hanging wall anticline on frontal thrusts of the sub-Andean zone. Continuing uplift, through transpressional tectonism, has defined the physiography and in particular, the rate of erosion which has effectively outpaced the rate of sedimentation since the Pliocene and Quaternary. Erosion through the crest of the antiformal uplift reveals Palaeozoic basement rocks, interpreted as horsts, in the northeastern extremity of the Project area and Triassic and Jurassic rift-fill strata throughout the remainder of the Project area (Fig. 4).

Owing to its remote location and complete tropical rainforest cover, the geological makeup of the Project area and broader Cordillera de Cutucú is known only at a preliminary level. Since there is no State geological survey that administers the systematic geologic mapping of the Ecuador, most of the geological map compilations of the Cordillera de Cutucú are cursory, and have been conducted by private entities, such as petroleum exploration companies and by academic institutions, as cited above. In contrast, on account of the petroleum resources of the Marañon Basin, the Peruvian State geological survey (INGEMMET) has systematically mapped, at 1:100,000 scale, the geology of the border region forming the continuity of the Cordillera de Cutucú to the south.

Recent insightful geological studies have been published on the basin dynamics of the Cordillera de Cutucú, as well as its seismicity and petroleum potential. The few site-specific geological studies that have been undertaken were limited to stratigraphic appraisals in the Rio Chapiza and Rio Yaupi, as well as studies of outcrops along paved highway E45 from Mendez to Santiago.

The stratigraphy of the Cordillera de Cutucú in which the Project is located is summarized in Figure 5, which also shows the stratigraphic location of the main deposits in the adjacent Cordillera del Condor.

Three gold occurrences have been recorded in the southwestern sector of Project area by FUNGEOMINE. However, no useful information was provided on these reported occurrences and the areas are too remote to be reached during the Author's review of the Project area. Gold placers are also reportedly being exploited by artisanal miners in the southern and eastern parts of the Cordillera de Cutucú, specifically in the Yaupi, Cushuimi, Kaspaimi and Cangaime rivers. The Yaupi and Cushuimi river catchment basins lie within the Project area**.**

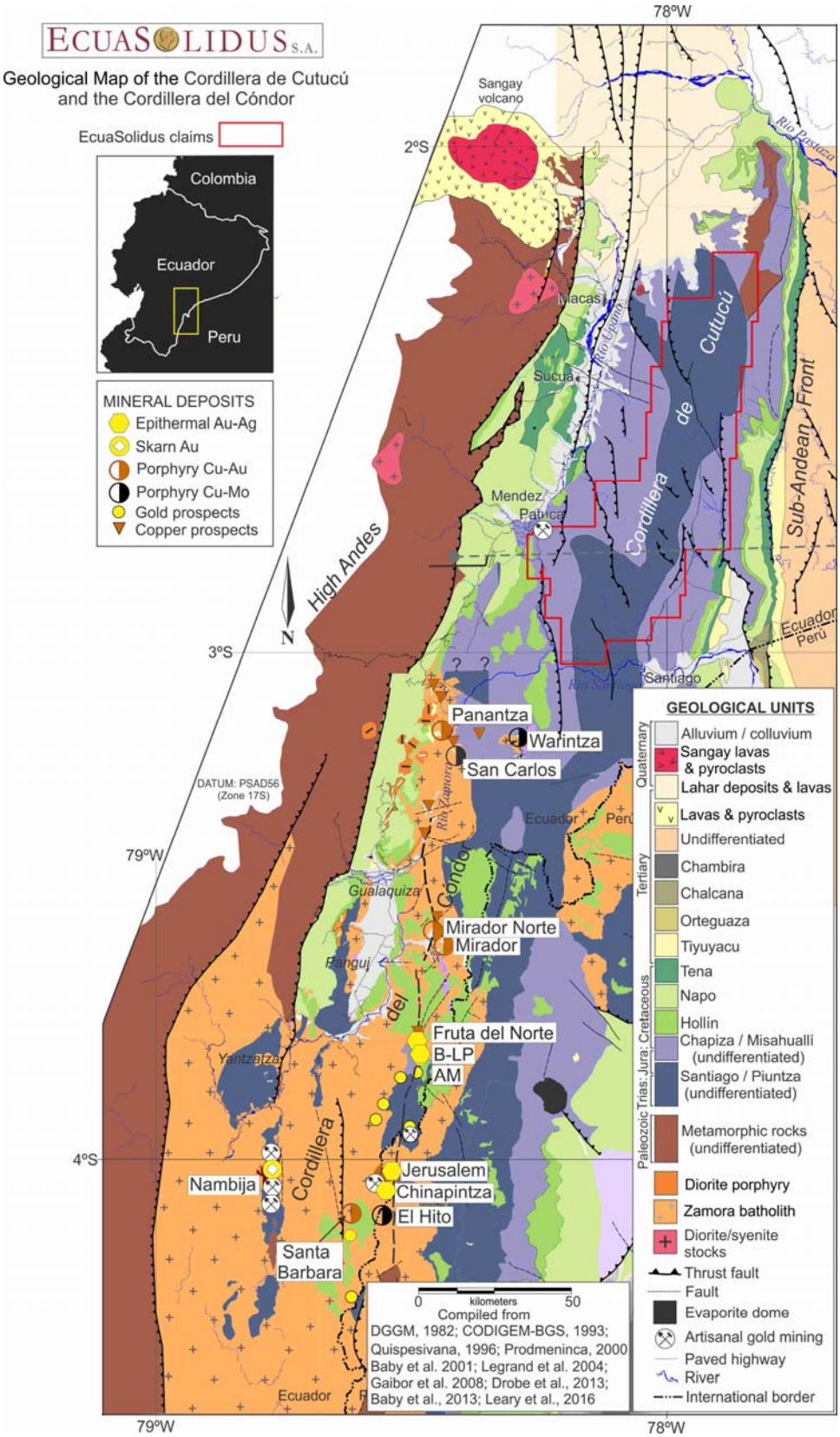

Figure 4. Geological map compilation of the Cordillera del Cóndor and Cordillera de Cutucú showing the location and type of the principal deposits and advanced exploration projects.

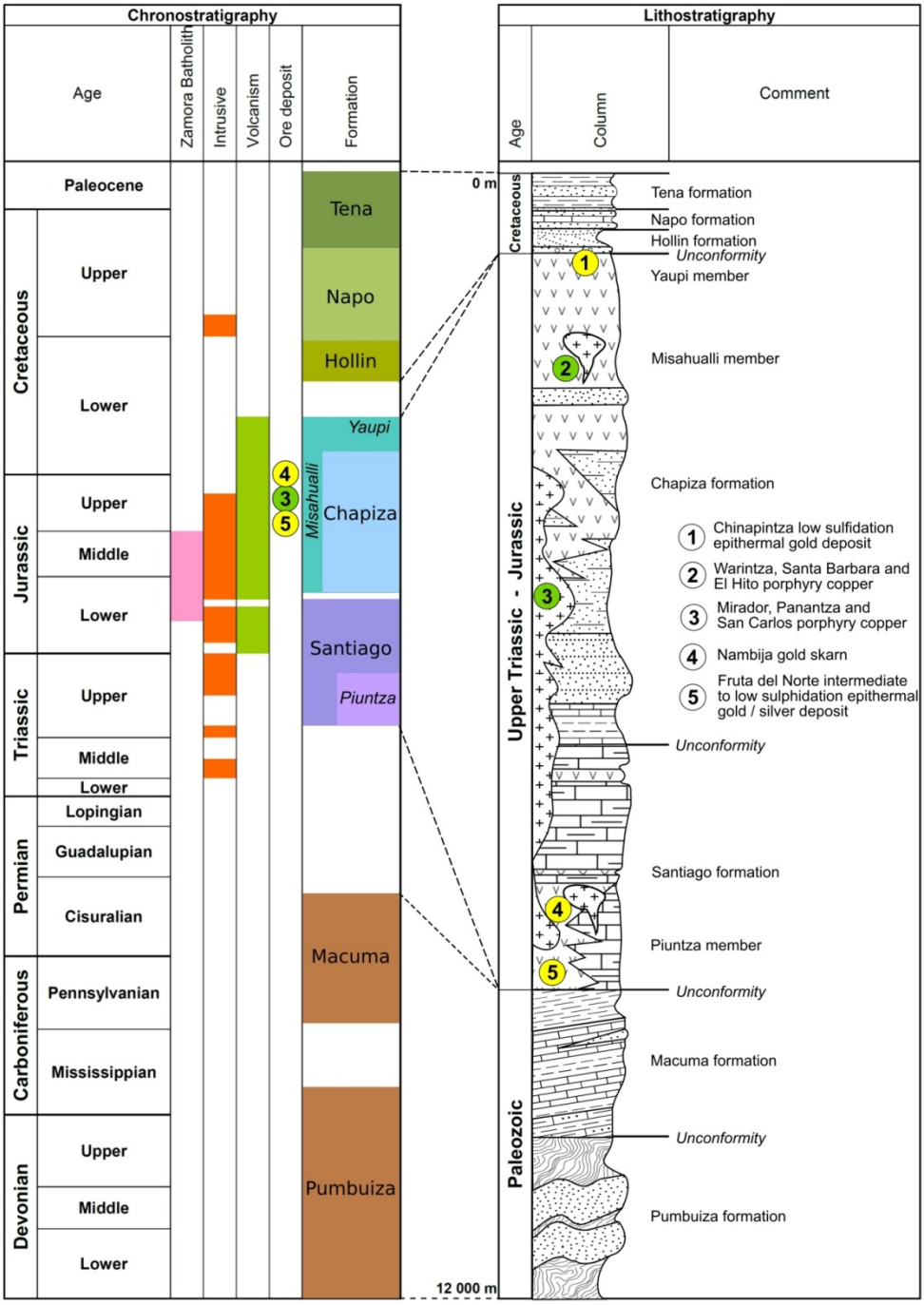

Figure 5. Stratigraphic compilation of the Cordillera de Cutucú.

III. Deposit types

The Project area is located within the Northern Andean Jurassic Metallogenic Belt that extends from 3° north in Colombia to 5° south in Ecuador. In both countries, the Mesozoic volcano-magmatic arc hosts numerous, and oftentimes spatially juxtaposed, porphyry copper, skarn and epithermal gold deposits. Some experts contend that the subduction of thickened oceanic crust preconditions the metallogenic fertility of distinctive parts of the Andes. These mineral deposit types are well represented in the Cordillera del Cóndor segment of the Northern Andean Jurassic Metallogenic Belt.

Geologists have proposed that the Cordillera de Cutucú represents an extension of the Cordillera del Cóndor and therefore, there is a reasonable possibility that the types of mineral deposits that occur in the Cordillera del Condor may also occur along strike in the Project area in the Cutucú Uplift. The deposit types that should be the focus of exploration in the Project area include (Table 11):

- Epithermal gold-silver deposits of which the FDN Deposit in the Cordillera del Cóndor, is the prime example. Current indicated mineral resources are 7.35Moz of gold and 9.89Moz of silver contained in 23.8Mt of mineralized material at a grade of 9.61g/t Au and 12.9g/t Ag. The resource data provided on the FDN Deposit have been obtained from information provided by Lundin Gold Inc. and the Author has been unable to verify the accuracy of that information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area.
- Porphyry copper-gold and copper-molybdenum deposits of which the San Carlos and Mirador deposits are considered to be the prime examples in the Cordillera del Cóndor. Mirador is reported to contain a measured and indicated resource of 438Mt at a grade of 0.61% Cu, 0.19g/t Au and 1.5g/t Ag. The reported inferred mineral resource stands at 235Mt at a grade of 0.52% Cu, 0.17g/t Au and 1.3g/t Ag. San Carlos is currently the largest copper-molybdenum porphyry system within the Northern Andean Jurassic Metallogenic Belt, with a reported inferred resource estimate of 657Mt at a grade of 0.59% Cu, containing 7.7Blbs of copper. The resource data provided on the Mirador and San Carlos porphyries have been obtained from information provided by other companies and the Author has been unable to verify the accuracy of that information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area.
- Gold and copper skarn deposits, of which Nambija, in the Cordillera del Cóndor, is a good example. Average gold grades are reported to be between 10g/t and 30g/t Au, locally exceeding 1,000g/t. The total resources of Nambija were reported in 1990 at 23Mt at an average grade of 15g/t gold, for a total of about 11Moz contained gold. In 2000, the resources were re-evaluated at between 4Moz and 5Moz of gold. The resource data provided on the Nambija deposit have been obtained from information provided by Prodeminca and the Author has been unable to verify the accuracy of that information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area.
- Disseminated gold deposits of which Alta Chicama, in northern Peru, is an excellent example. The Alto Chicama Deposit is located in Lower Cretaceous sandstones that are the lateral equivalent of sedimentary sequences in the Project area.
- Lead-zinc deposits, of which San Vicente, located in a correlative of the Santiago Formation in northern Peru, is a good example. The San Vicente Deposit is reported to contain 20Mt at an average grade of 10% zinc and 0.8% lead. The resource data provided on the San Vicente base metal deposit have been obtained from information provided by other companies and the Author has been unable to verify the accuracy of that information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area.

The successes of prior grassroots exploration programs in the Cordillera del Condor make it one of Ecuador's most prolific mineral districts (Table 11). When coupled with its equally challenging infrastructure and topography, the application of similar exploration techniques are warranted in the Properties that comprise the Lost Cities-Cutucu Project. The recommended exploration program for the Project area is described in the recommendations section.

Table 11. Summary of NI43-101 Resources Reported from the Cordillera del Condor, adjacent to the Lost Cities – Cutucu Project.

Stage	Ownership	Deposit	Resources		Gold		Silver		Copper	
			Category	Millions of Tonnes	Grade (g/t)	Contained gold (Moz)	Grade (g/t)	Contained silver (Moz)	Grade (%)	Contained copper (Blbs)
Measured & Indicated Resources										
Development	**CRCC-Tongguan Investment Co**	Mirador	Measured & Indicated	438	0.19	2.7	1.4	21.5	0.61	5.9
	Lundin Gold Inc	Fruta del Norte	Measured & Indicated	24	9.61	7.4	12.9	9.9		
Pre-development	**CRCC-Tongguan Investment Co**	Mirador Norte	Indicated	171	0.09	0.5			0.51	1.9
	Lumina Gold Corp.	Santa Barbara	Indicated	365	0.51	6.0	0.9	10.1	0.10	0.8
		Los Cuyes	Indicated	47	0.82	1.2	6.19	9.3		
		Soledad	Indicated	35	0.63	0.7	7.21	8.1		
	Dynasty Metals & Mining Inc	Jerusalem	Measured & Indicated	1	13.80	0.4	79	2.4		
Inferred Resources										
Development	**CRCC-Tongguan Investment Co**	Mirador		235	0.17	1.3	1.3	9.9	0.52	2.7
		San Carlos		657					0.59	8.5
	Lundin Gold Inc	Fruta del Norte		12	5.69	2.1	10.8	4.1		
Pre-development	**CRCC-Tongguan Investment Co**	Mirador Norte		46	0.07	0.1			0.51	0.5
		Panantza		463					0.66	6.7
	JDL Gold Corp.	Warintza		195					0.42	1.8
	Lumina Gold Corp.	El Hito		161					0.31	1.1
		Santa Barbara		178	0.40	2.3	0.8	4.6	0.10	0.4
		Soledad		0	0.50	0.3	6.9	4.5		
		Chinapintza		1	6.00	0.1	47.1	1.1		
	Dynasty Metals & Mining Inc	Jerusalem		2	15.00	0.9	98	5.6		

Note: CRCC is China Railway Construction Corporation Limited

Note: The information presented in this table has been obtained from information provided by other companies and the Author and QP has been unable to verify the information, nor is the information necessarily indicative of any mineralization that may lie in the Lost Cities - Cutucu Project area.

Exploration

To date, no mineral exploration activities have been undertaken by the Company on the Properties.

Drilling

To date, no drilling has been undertaken by the Company on the Properties.

Sample Preparation, Analyses and Security

To date, no samples have been analysed by the Company.

Data Verification

I. Field Verification of Geological Context

Due to the complete lack of prior, modern mineral exploration in the Cordillera de Cutucú, there are no geochemical or assay data to verify. The field verification undertaken by the Author, between November 18th and 26th, 2015, focused on the general geology of the Project area and the existence of rock-types appropriate for the class of deposits being sought.

Since significant porphyry-style mineralization is distinguished in the intrusive suite in the Cordillera del Cóndor, it is intuitive to utilize geochemistry to understand the geological context of the Project area in the Cordillera de Cutucú and how this is linked to its overall prospectivity. Alkali gabbro sampled in the southwestern part of the Project area has a major oxide content (i.e. silica versus total alkalis) similar to ultramafic rocks in the Los Encuetros sector of the Zamora Batholith in the Cordillera del Condor (Fig. 4). In this scheme, gabbro dykes in Cordillera del Cóndor are classified as foid gabbro, denoting a ratio of the mineral plagioclase to total feldspar >0.9. In contrast, alkali gabbro samples in the Project area contain small amounts of nepheline, due to their undersaturation with respect to silica, and some olivine. Meanwhile, volcanic rocks exposed in the southern extremity of the Project area are indistinguishable, based on their immobile trace element content, from volcanic rocks found in the adjacent Cordillera del Cóndor.

II. Verification of the Historical Narrative

The Author of this Report has conducted independent research on the historical context of the Cordillera de Cutucú as presented in Sections 16.2 and 16.3. The Author relied on the published compendiums of contemporary historic literature and ethnographic research pertaining to the Cordillera de Cutucú. In addition to these scholarly accounts, the Author also referenced several antique topological/pictorial maps from the 16th to 19th centuries, of South America, Perú and Ecuador, namely:

- Carta Corografica de la Republica del Ecuador Delineada por Don Pedro Maldonado e Baron de Humboldt (With large inset of the Galapagos Islands), 1858;
- Venezuela, New Grenada and Ecuador, Samuel Augustus Mitchell, 1849;
- South America, Sheet 1, Ecuador, Granada, Venezuela, Brazil, Guayana, Society for the Diffusion of Useful Knowledge, 1842;
- New Granada, Pinkertons Modern Atlas, 1812;
- La Terra Ferma La Gujana Spagnola, Olandese, Frances, E. Portughese E La Parte Settente.le Del Bresil, Antonio Zatta, 1785 Le Perou Dans LAmerique Meridionale Dressee, Nicolas De Fer, 1719;
- Carte de la Terre Ferme du Perou, du Bresil et du Pays des Amazones, by Guillaume de L'Isle,1703;
- Amerique Meridionale, Nicholas Sanson, 1650;
- Peruvia id est, Novi Orbis pars Meridionalis a Praestantissima eius in Occidetem Regione sic Appellata. Matthias Quad and Johann Bussemachaer, 1598; and
- Brasilia et Peruvia Cornelis De Jode, 1593.

The aforementioned research by the Author corroborates the historical narrative described in Sections 16.2 and 16.3 of the NI 43-101 Report. It affirms, based on the aforementioned compendiums of literature, the credibility of Sevilla del Oro and Logroño de los Caballeros as colonial-era gold mining settlements that were formally established by the colonial Spanish, were subsequently abandoned in the late 16th century, and later subject to various expeditions of attempted re-discovery up until the 19th century.

III. Adequacy of the Data

Due to the fact that the exploration concessions constituting the Property have only recently been granted, there is no exploration data from the Project to verify. Consequently, verification was mainly of a qualitative nature, ensuring that the rock types located in the Project area are consistent with the mineral deposit-types being sought. Field investigations by the Author confirm that the rock-types observed in the traverses undertaken on the Property are generally consistent with the formations to which they have been assigned on regional geological maps. There are exceptions in which field observations were at odds with regional mapping. For example, Cretaceous strata were detected in outcrop instead of the Jurassic strata shown to occur at those locations on regional geological maps.

Quantitative verification of rock types was limited to major element and trace element geochemistry of intrusive and volcanic rocks in the Project area in order to assess their similarity with igneous rocks in the Cordillera del Cóndor. The igneous rock suite of the Cordillera del Cóndor is closely linked with the Cordillera de Cutucú.

A literature review of historical information regarding Spanish colonial-era gold production from the Cordillera de Cutucú is consistent with a wide variety of published sources.

Mineral Processing and Metallurgical Testing

To date, no mineral processing or metallurgical testing has been carried out on the Properties.

Mineral Resource Estimates

No mineral resources estimates have been made on the Properties.

Adjacent Properties

Small-scale hydraulic placer gold mining and aggregate extraction operations, are actively exploiting materials along the low-elevation fringes of the Cordillera de Cutucú. Several small-scale mining licences, between 4Ha and 300Ha in extent, are located in the southern and western part of the Cordillera, particularly along the Santiago River. Other than alluvial gold workings, such as Patuca and its environs, the Author is not aware of mineral deposits or advanced metallic mineral exploration projects immediately adjacent to the Properties. There is, however, one third-party claim that is 4Ha in extent, located within the main body of the contiguous license areas that constitute the Properties (Licence No 90000139 in Table 12).

In addition, three third-party metallic mineral exploration license applications directly adjoin the Properties to the west and the south. Granted exploration license areas and license applications pending approval are listed in Table 12, specifying the geological materials for which the license has been applied for or granted.

Table 12. Third party licenses enclosed by, or directly adjacent to, the Lost Cities – Cutucu Project.

Licence No.	Licence Name	Licence Holder	Area (Ha)	Date Granted	Material
90000366	ECCOMETALS 2	ECCOLMETALS S.A.	300	10/01/2017	Gold
90000459	AYANGASA 1	Cruz del Sol CSSA S.A.	3680	In process	Metallic
90000460	AYANGASA 2	Cruz del Sol CSSA S.A.	4720	In process	Metallic
90000139	SAN SIMON	Chiriap Tsenkush Felipe Natale	4	In process	Metallic
90000445	COANGOS	Cruz del Sol CSSA S.A.	4924	In process	Metallic
90000391	COMPROMISO	Ramirez Gonzaga Jose Francisco	295	In process	Gold
900012	MANGOSIZA	Empresa Publica Cementera Del Ecuador	1500	24/12/2015	None metallic

Gencor and Billiton conducted concerted exploration activities immediately to the south of the Santiago River (the southern limit of the Properties) up to 2000. Their efforts included detailed stream sediment sampling and rock sampling, geophysics and targeted drilling. After 2000, the exploration was continued by Corriente Resources Inc. Of these discoveries, the Warintza, Panantza and San Carlos porphyry copper-molybdenum deposits (Table 11) are the closest inferred mineral resources to the Properties. Warintza is located 20km to the south of the southernmost license limit, while San Carlos and Panantza are located about 35km from the southwestern corner of the Properties. The Warintza deposit is currently owned by JDL Gold Corp. (http://www.jdlgold.com/) and Panantza and San Carlos by EcuaCorriente S.A. (http://www.ecuacorriente.com).

Other Relevant Data and Information

I. Corporate Social Responsibility

The Company has engaged a professional consultant to design and implement a Community Social Responsibility ("CSR") strategy for the Project area. Dialogue and collaboration are the pillars of any successful CSR strategy, and through the implementation of Early Strategic Stakeholder Engagement ("ESSE"), The Company plans to engage and work with local stakeholders, indigenous and non-indigenous communities, identified within the Property.

The first steps in Aurania's CSR strategy include:

- Establishing relationships based on open dialogue;
- Learning first from local communities, including indigenous groups; and
- Building a solid understanding of the socio-economic landscape of the Cordillera del Cutucú.

The CSR initiative aims to identify opportunities for collaboration with local communities and government representatives at the municipal, provincial and federal levels.

II. Spanish Colonial History of Gold in the Cordillera de Cutucú

Historic Spanish literature, including reports of gold production, point to the Cordillera de Cutucú as the location of two famous gold mining areas that operated in the 16th and 17th Centuries: *Sevilla del Oro* and *Logroño de los Caballeros*.

The historical record of Logroño and Sevilla del Oro is remarkably preserved despite the several centuries that have lapsed since both were active gold mines. It is the belief of Keith Barron that both mining settlements are still lost to antiquity, just as Nambija had been until 1981. Attempts at relocating the old mining camps since 1800 focused on finding stone ruins under the guidance of historians. It is important nonetheless to consider the document of 1582 concerning the destruction of Logroño, since it mentions a "Palenque", a wooden palisade. It is reasonable to assume that a defendable log fort was built at Logroño de los Caballeros, within which the Spaniards lived in a compound. It is thus unlikely, given the constant danger of attack they endured, that any time and expense was put into the construction of stone buildings, or roads lined with paving stones, or open air plazas that typified contemporary Spanish colonial architecture. The mining camps were strictly functional and transient; hence there would have been no time or requirement for permanent dwellings. Potentially, the only stone building would have been the Caja Real (the Treasury building), but this is speculation since no stone structures were found at Nambija. All efforts in such mine camps would have focussed on expediently mining gold.

One may further speculate that the surrounding villages would have been constructed from wood and palm thatch, all of which would have completely decomposed over time.

The assumption is that the mined areas will be marked by old rock dumps, rock stacks, trenches and pits, drainage ditches, and perhaps adits or shafts, assuming of course a hard rock source.

The earliest geographical records, pertaining to the Spanish crown, place Logroño and Sevilla del Oro within the Cordillera de Cutucú, in locations that were by no means easy to access. Even today, the Cordillera de Cutucú lacks infrastructure, and is by and large unpopulated rainforest. One may again speculate that if the mining settlements were located proximal to roads, or population centres, they would have been found some time ago. There is a general misconception that "all" gold the Spaniards found or plundered was depleted during their occupation of the New World. Experience and logic dictates otherwise. For instance, stream sediment surveys conducted by Aurelian in the Cordillera del Cóndor routinely encountered anomalous zones in areas of active or abandoned gold mining; some hard-rock, others alluvial placer. In one case, on the Maicu group of concessions near Chinapintza, a squared adit with chisel marks was located. This is likely to have been constructed by the Spaniards, since the natives did not possess iron or steel, only bronze; insufficient to excavate in hard rock. This could even be the site of "Cóndor", as mentioned by Vasquez de Espinosa - destroyed in 1621.

Interpretation and Conclusions

The Author is not aware of any information that has been specifically excluded from this NI 43-101 Technical Report that would materially affect the conclusions expressed herein or whose omission makes this report misleading.

I. Opportunities

The Lost Cities – Cutucu Project lies in the Cordillera de Cutucú, a remote and sparsely populated mountain range forming the eastern foothills of the Andes. The Project area represents a segment of the Northern Andean Jurassic Metallogenic Belt that has not undergone recent mineral exploration. The difficulty of access into the highlands of the

Cordillera, added to the low population density and poor infrastructure, are among the main reasons that no modern mineral exploration activities have been conducted in the Project area. The level of geological knowledge pertaining to the Cordillera de Cutucú in general, and the Project in particular, is at best, cursory. Recent studies, based largely on petroleum exploration, indicate that the geological make-up of the Cordillera comprises, for the most part, Jurassic-Triassic volcano-sedimentary rocks of the Santiago Formation with isolated intrusions injected within these strata, and Jurassic-Cretaceous volcanic and sedimentary rocks forming the flanks of the Cordillera.

Geological reconnaissance conducted by the Author of this Report between November 18th and 26th, 2015, identified Cretaceous sedimentary rocks comprising the Hollin and Napo formations as well as volcano-sedimentary rocks possibly affiliated with the Chapiza Formation. Various mafic and felsic intrusive centres and hydrothermally altered lavas and volcaniclastic rocks were also identified.

Despite the low level of geological reconnaissance reported herein, the Lost Cities - Cutucu Project, represents an opportunity to conduct grassroots exploration activities in an area that has, to the Author's knowledge, not undergone systematic, modern, exploration. Based on the similarities of tectonic history, structural geological framework and stratigraphy between the Cordillera del Cóndor and Cordillera de Cutucú, the Project merits systematic mineral exploration. Of the potential differences between the two contiguous cordilleras; the Cordillera de Cutucú may not be as deeply eroded as the Cordillera del Cóndor. By this rationale the likelihood of epithermal styles of mineralization and the distribution of stratigraphy that hosts and covers the FDN gold-silver deposit, constitutes a specific exploration target.

The geological factors that conceptually favour continuity of the Zamora Copper-Gold Metallogenic Belt hinge on the tectonics of the Cordillera de Cutucú, wherein compression, uplift and exhumation of the Santiago Formation may have formed favourable structural settings that in turn provided the plumbing for hydrothermal fluids to come into contact with chemically reactive and brittle host rocks. Precious and base-metal mineralization may thus occur at different stratigraphic levels in the structurally partitioned and exhumed volcano-sedimentary strata of the Santiago Formation which, based on all available geological information, comprises a substantial component of the Project area.

Notwithstanding its geological merits, the recorded history of the Cordillera de Cutucú reveals that gold mining activities were prolific here as part of the colonial Spanish enterprise. During a short period in the 16th century, the Upano River and Cordillera de Cutucú were meticulously recorded among the largest gold producers in all the Indies, with two main gold mining settlements: - Sevilla del Oro and Logroño de los Caballeros, since lost to antiquity - just as Nambija had been until its rediscovery in 1981.

II. Risks

The principle technical risk associated with the Lost Cities – Cutucu Project is that the planned exploration program may fail to define mineralized exploration targets that have the potential to contain economically extractable minerals or metals.

The principle operational risk is associated with access since the greater portion of the Project area lies within a protected forest in which environmental permits are needed earlier in the exploration process than in other mineral concession areas. Requisite permitting by the Ecuadorian authorities may result in the planned work program being delayed or rescheduled.

The required consultation with local stake-holders regarding exploration in protected forests may also cause delays in implementation, and/or result in the rescheduling, of the planned work program. Delays in the implementation of the planned work program would likely make the achievement of the goal of discovering potentially economic mineralization in the Project area more costly.

Recommendations

The grassroots nature of the Lost Cities - Cutucu Project requires comprehensive regional mineral exploration activities to define mineral occurrences and potential exploration targets. In order to develop an informed geoscientific understanding of the Project area, campaigns of geochemical sampling, geological mapping, together with remote

sensing and geophysics, will be necessary to define and rank exploration targets for follow-up. Results generated from this grassroots exploration campaign would determine which concessions warrant further field investigation and which should be relinquished. The following recommended exploration program involves a two phase approach.

I. Phase 1

During Phase 1, the property would be surveyed at a regional scale in order to prioritize the main targets for Phase 2. Phase 1 involves the following components**:**

A. Remote sensed imagery study

The acquisition of satellite imagery such as Landsat and Radarsat would assist in determining the regional structural geology of the Project area, since it is within distinctive fault zones that mineralization is expected to form. For instance, the Las Peñas Fault Zone and Suárez pull-apart basin in the Cordillera del Cóndor comprise the structural framework in which the FDN Deposit occurs.

A preliminary interpretation of Landsat imagery would also be undertaken over the Project area, with a Radarsat study to provide more detailed structural information in selected areas of interest**.**

B. Magnetic and radiometric airborne survey

Airborne magnetic and radiometric surveying would provide a valuable and cost-effective means of mapping and correlating geology, for defining structure, as well as identifying the potentially magnetite-rich cores of porphyry systems, and magnetite-destructive alteration zones. Radiometric data may also define possible porphyry centres due to their typical potassic and sericitic alteration. Geophysical data should be acquired by helicopter so that a reasonably constant ground clearance and appropriately detailed sample spacing is achieved throughout the Property. Given the predominant north-south orientation of stratigraphy and structure in the Cordillera de Cutucú, flight lines would be oriented east to west in the Project area. Based on the size of the porphyry centres in the Cordillera del Cóndor, a maximum 400m flight line spacing is recommended for the Project area to ensure that at least two flight lines cover a typical porphyry target. Approximately 12,000 line-km would be required to cover the Properties**.**

C. Stream sediment sampling

Owing to the remoteness of the Project area, the dense tropical rainforest cover, and the scarcity of outcrop, stream sediment sampling provides an efficient, economical and empirical exploration method. Local examples of comprehensive drainage surveys used by Gencor and subsequently Billiton B.V. between 1994 and 2002, and by Aurelian between 2001 and 2005, proved to be fundamentally important in the definition of targets that are now significant mineral deposits of various types. It is recommended that stream sediment sampling of -80 mesh (<0.177mm) fines be conducted throughout the Project area, with the aim of identifying gold and copper anomalies as well as pathfinder elements such as Ag, As, Sb, Hg and Mo. For this purpose, the Project area has been strategically subdivided into its component primary and secondary river basins or catchments.

Stream sediment samples should be dried at <70°C so that Hg is not volatilized and can be assayed using a multi-element, ICP-AES package after Aqua Regia digestion. Fire assay of a 50g aliquot is recommended for the determination of gold values.

In addition, pan concentrates should be extracted from each stream sediment sample site. The quantity, size and form of gold grains observed in the panned concentrate should be recorded. These thematic field observations should be cross-referenced with the assay data derived from the stream sediment samples.

The 8 main river basins that comprise the Project area should be sampled during Phase 1. This corresponds with approximately 280km of drainage. Accounting for an average spacing of one sample every 400m along the drainages, a minimum of 700 samples would be required during Phase 1**.**

D. Rock sampling

Rock chip, float and channel sampling should be undertaken where mineralization and/or altered exposures are encountered. Rock samples should be analysed for gold by fire assay using a 50g aliquot and multi-element assay

should be by ICP-AES after multi-acid digestion. Specific samples for which mercury assays are required should be dried at appropriately low temperatures.

II. Phase 2

Phase 2 exploration would focus on evaluating the anomalies detected during Phase 1, in order to identify and validate targets that warrant follow-up exploration. This would include grid or ridge-and-spur soil sample traverses, systematic rock channel sampling where possible, and scout drilling on targets of merit using a modular, man portable diamond drill rig. Regional stream sediment sampling should continue in other areas while the more advanced exploration is being undertaken on targets.

The following work is recommended for Phase 2:

A. Stream sediment sampling

The same stream sediment sampling procedure as per Phase 1 should be used to infill areas of significant anomalism identified in Phase 1. A total of 54 secondary river basins with an average size of 30km^2, have been defined within the Properties. It is estimated therefore that approximately 550km of drainage sampling will be required. At a spacing of one every 400m, a minimum of 1,500 samples would be required. The average sampling density would therefore be approximately one sample per square kilometre. Assuming that each sample team, based on prior experience in the region, samples an average of 5 sites per day, each catchment basin will require between 3 and 15 field days, with contingency for 3 days travelling and logistics. A further 4 days of sample preparation, database recording, map compilation and reporting will be required after each field expedition. These estimates imply that the initial stream sediment sampling of the Properties would take about 11 months. Access to the basins would initially be by road, or by helicopter to reach the more remote areas. Any mineralized or altered outcrops encountered during the stream sediment sampling phase would be sampled**.**

B. Geological mapping

Geological and structural mapping should be carried out in order to test and build on the Phase 1 satellite imagery study and the anomalies identified in the airborne geophysical survey. The geological map would be updated as new field data are integrated at an appropriate scale.

A budget of CAD$ 1,926,000 for Phase 1 and CAD$ 1,344,000 for Phase 2, itemized in Table 13 is recommended for the grassroots exploration of the Project. In the Author's opinion, the proposed exploration strategy and budget are both reasonable and appropriate for a grassroots campaign over the area of the Properties.

Table 13. Budget for the preliminary exploration of the Lost Cities – Cutucu Project.

Expenditure type	Phase 1 (Total CAD$)	Phase 2 (Total CAD$)
Administration	133,000	183,000
CRS, Environment, H&S	159,000	190,000
Imagery	59,000	-
Geophysics	1,002,000	-
Stream sediments and Geology		
- Exploration team	223,000	413,500
- Logistic	132,000	339,000
- Shipping & Assays	43,000	96,500
Sub total stream sediment & geology	398,000	849,000
Sub total	1,751,000	1,222,000
Contingency 10%	175 000	122,000
TOTAL	1926,000	1,344,000

Ecuadorian Mining Law and Mineral Rights:

According to the 2008 Constitution, the state owns all those minerals and non-renewable natural resources that are within the national territory; however, mining concessions can be granted to individuals. The concessionaire has the exclusive right to explore, exploit, process and sell any metallic minerals found within the concession. A mining concession is granted for up to 25 years and may be renewed for an equal period. If a concessionaire wishes to transfer an existing concession to a third party, authorisation from the mining authorities must first be obtained.

Once the mining concession has been granted, the holder of a large-scale mining concession shall comply with the following phases and terms:

- up to four years of initial exploration;
- up to four years of advanced exploration; and
- two years of economic evaluation of the deposit, which can be extended for an additional two-year period.

During the final phase, the concessionaire must apply for the commencement of the exploitation phase of the project. Within six months of beginning the exploitation phase, the concessionaire, in the large-scale mining category, must sign a mining exploitation contract with the Ecuadorian government, although negotiations may begin during the economic evaluation phase. Artisanal, small- and medium-scale mining operations do not need to sign a mining exploitation contract with the Ecuadorian government and are entitled to carry out exploration and exploitation activities simultaneously.

Once the Initial Exploration phase has been completed, and prior to initiating an Advanced Exploration phase, the Mining Law provides for a mandatory relinquishment of a part of the total area of the concession. The main obligations of mining rights holders are:

- to pay annual mining conservation patents;
- to present annual exploration reports and investment plans;
- to present half-yearly production reports;
- to pay mining royalties to the State when in the exploitation phase;
- to obtain an environmental licence prior to commencing activities;
- to obtain administrative authorisations prior to commencing activities;
- to ensure at least 80% of its workforce are Ecuadorian nationals;
- to comply with the environmental management plan;
- to train local personnel; and
- to maintain information regarding their operations.

Caducity is understood in the mining context as the sanction imposed by the State by which it terminates mining rights due to default on specific obligations by concessionaires. With a view to giving greater security to mining rights, the majority of causes of caducity of concessions are grouped together in one chapter, and a procedure is established in which the guarantees of due process for concessionaires must be respected.

The effects of the caducity become binding only when all appeals have been heard and rejected by the courts. The Mining Law defines the possibility appeals process through administrative and/or judicial channels.

The Mining Law also defines a process for redressing the causes of caducity and even a tacit effect in favour of the concessionaire if the sectorial ministry does not present arguments for applying the sanction within 45 days.

The caducity of a concession results in the termination of the exploitation contract, if there is one, but the concessionaire’s liability for any environmental damage in the concession remains in force.

5. Debt Settlement

At the Meeting, shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution of disinterested shareholders approving the issuances of the proposed shares for debt settlement transaction, which is a condition of closing the Transaction (the "**Debt Settlement**").

The Company proposes settling the outstanding debt owed by the Company to Bambazonke Holdings Ltd., a company owned and controlled by Dr. Barron (the "**Creditor**") by issuing 375,000 common shares of the Company to the Creditor at a price of $2.00 per common share in an aggregate amount of $750,000. The indebtedness to be settled relates to cash advances and service cost agreement monthly payments. The Creditor has agreed to this settlement as full and final payment in satisfaction of all outstanding sums owing other than a loan in the amount of USD $2 million advanced by Dr. Barron to ESA to fund certain prescribed mineral property payments. The debt settlement is subject to Exchange approval. The securities to be issued will be subject to a hold period of four months and one day.

In order to facilitate the Debt Settlement, subject to receiving shareholder and TSX Venture Exchange approval of the Debt Settlement, the Company will enter into debt settlement agreements (the "**Debt Settlement Agreements**") whereby the Company will agree to issue common shares in settlement of debts with the Creditor, as indicated herein, and the Creditor will agree to accept the common shares so issued as complete and final payment in satisfaction of all sums owing.

Related Party Transaction

Dr. Barron, by virtue of owning over 10% of Company's issued and outstanding common shares is a "related party" to the Company under MI 61-101, which is incorporated into Policy 5.9 of TSX Venture Exchange. Accordingly, the issuance of common shares to the Creditor in satisfaction of the debt owed by the Company is a "related party transaction" under MI 61-101 as the Creditor is a company owned and controlled by Dr. Barron.

The issuance of common shares to the Creditor in satisfaction of debt owed by the Company is excluded from the requirements for formal valuation under section 5.5 of MI 61-101, as no securities of the Company are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Section 5.6 of MI 61-101 requires that related party transactions receive minority approval. According to section 8.1 of MI 61-101, the minority approval requirement is satisfied when the votes of the issuer, the "interested party", a "related party" of an interested party, and a" joint actor" with either the interested party or the related party thereto are excluded from the vote of affected securities.

To the best knowledge of the Company, in connection with the issuance of common shares in satisfaction of debt owed by the Company to the Creditor, only Dr. Barron is an "interested party", and no other shareholder is either an "interested party", a "related party" of an interested party, or a "joint actor" with an interested party or with a related party to an interested party, as such terms are defined in MI 61-101. Therefore, by approval by "disinterested vote" of shareholders of the Debt Settlement Resolution as described above, will satisfy the requirements for minority approval of MI 61-101.

Dr. Barron has beneficial ownership, control or direction, directly or indirectly over 14,167,873 common shares of the Company, which represents 62.25% of all issued and outstanding common shares of the capital stock of the Company. To the knowledge of the Company, after reasonable inquiry, as at the date hereof, Dr. Barron will be precluded from voting any of the shares owned or controlled by him on the Debt Settlement Resolution for the purposes of the disinterested shareholder approval as required by MI 61-101.

Debt Settlement Resolution

The text of the ordinary resolution approving the Debt Settlement is as follows:

"**BE IT RESOLVED** as an ordinary resolution that:

1. Subject to acceptance by the TSX Venture Exchange, the issuance by the Company of an aggregate of 375,000 common shares in the capital of the Company at a deemed price per share of $2.00 in the settlement of an aggregate balance owing of $750,000 as more particularly described in this information circular is hereby approved;

2. any one director or officer of the Company be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution."

To be effective, the resolution must be passed by the majority of votes cast by shareholders present or represented by proxy at the Meeting, excluding 14,167,873 common shares which represent votes attaching to shares beneficially owned, controlled or directed, directly or indirectly by Dr. Barron and be accepted for filing by the Exchange.

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

6. Approval of Restricted Stock Unit Incentive Plan

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

The RSU Plan requires disinterested shareholder approval. At the Meeting, shareholders will be asked to approve an ordinary resolution to adopt the RSU Plan. The votes attaching to shares beneficially owned by (i) insiders to who options may be granted under the RSU Plan; and (ii) associates of persons referred to in (i) will be excluded from voting on the approval of the RSU Plan.

The following is a summary of the RSU Plan. The summary is qualified in its entirety by the full text of the RSU Plan as attached as Schedule "B" of this information circular. The RSU Plan remains subject to the approval of the TSX Venture Exchange (the "**Exchange**").

Description of the RSU Plan

The RSU Plan is available to Directors, Employees and Consultants (these terms have the meaning provided in the definitions section of Schedule "B" attached to this information circular) which are collectively referred to in the RSU Plan as Service Providers of the Company, as determined by the Board (the "**Eligible Grantees**"). The maximum number of common shares available for issuance under the RSU Plan shall be 2,275,973. The number of common shares issued or to be issued under the Plan and all other security based compensation arrangements, at any time, shall not exceed 20% of the total number of the issued and outstanding common shares of the Company. The total number of common shares issuable to insiders under the RSU Plan, at any time, together with any other security-based compensation arrangements of the Company, shall not exceed ten percent of the issued and outstanding common shares of the Company. The total number of common shares issuable to insiders within any one-year period under the RSU Plan shall not exceed ten percent of the issued and outstanding common shares of the Company. The total number of common shares issuable to any person within any one-year period under the RSU Plan shall not exceed one percent of the issued and outstanding common shares of the Company. The total number of common shares issuable to all persons within any one-year period under the RSU Plan shall not exceed two percent of the issued and outstanding common shares of the Company. Neither awards nor any rights under any such awards shall

be assignable or transferable.

If any common shares covered by an award are forfeited, or if an award terminates without delivery of any common shares subject thereto, then the number of common shares counted against the aggregate number of common shares available under the RSU Plan with respect to such award shall, to the extent of any such forfeiture or termination, again be available for making awards under the RSU Plan. The RSU Plan shall terminate automatically after ten years and may be terminated on any earlier date or extended by the Board.

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

Restricted Stock Units

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

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

As of the date of this information circular, there are no RSU's outstanding under the RSU Plan.

Approval Required

The text of the ordinary resolution approving the RSU Plan is as follows:

"**BE IT RESOLVED** as an ordinary resolution that:

1. the RSU Plan, substantially in the form attached as Schedule "B" to the information circular be, and is hereby, ratified, affirmed and approved;

2. the form of the RSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Company; and

3. any one director or officer of the Company be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

To be effective, the resolution must be passed by the majority of votes cast by shareholders present or represented by proxy at the Meeting, excluding 15,447,873 common shares which represent votes attaching to shares beneficially owned by (i) insiders to who options may be granted under the RSU Plan; and (ii) associates of persons referred to in (i), and be accepted for filing by the Exchange.

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

7. Other Matters

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

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

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

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

The Board is currently comprised of five (5) directors being Keith Barron, Elaine Ellingham, Gerald Harper, Marvin Kaiser and Richard Spencer. Messrs. Harper, Kaiser, Spencer and Ms. Ellingham, are independent within the meaning of NI 58-101. Dr. Barron is not independent as he is an executive officer of the Company and thereby has a "material relationship" with the Company.

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

Other Public Company Directorships

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

Table 14. Summary of other directorships held by the Corporation's Board.

Name of Director	Name of Reporting Issuer	Market
Keith Barron	U3O8 Corp. Firestone Ventures Inc.	TSX TSX-V
Elaine Ellingham	Richmont Mines Inc. Wallbridge Mining Company Limited	TSX TSX
Gerald Harper	MinFocus Exploration Corp.	TSX-V
Marvin Kaiser	Uranium Resources Inc.	NASDAQ
Richard Spencer	U3O8 Corp.	TSX

Orientation and Continuing Education of Board Members

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

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

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

Ethical Business Conduct

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

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

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

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

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

Nomination of Directors

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

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

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

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

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

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

Compensation

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

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

Technical and Corporate Responsibility

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

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

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

The areas of responsibility of the TCR Committee include:

- **Operations Oversight**: in carrying out its responsibility to assist the Board in overseeing the exploration and operational activities of the Corporation from a technical, financial and scheduling perspective, the Committee will meet regularly with Management, in person or by telephone, to review and monitor progress and report its findings to the Board;
- **Corporate Social Responsibility**: The Corporation is committed to the respect of communities directly impacted by its activities, and to the overall health and safety of its stakeholders, its employees and their families. The Corporation believes that a safe and healthy workplace is a moral imperative reflecting the Corporation's respect for the individual. The Corporation is committed to the protection of the environment through the responsible stewardship of its properties. Protection of the environment is essential to the health of the communities and resources upon which the Corporation relies, and is beneficial to the Corporation and its stakeholders.
- **Health and Safety**: The TCR committee's responsibilities with respect to safety and health matters shall include reviewing and making recommendations, as appropriate, in regard to the Corporation's safety and health program, including corporate occupational health and safety policies and procedures. It shall also satisfy itself that Management of the Corporation monitors trends and reviews current and emerging issues in the safety and health field and evaluates their potential impact on the Corporation.
- **Environment**: The TCR Committee's responsibilities with respect to environmental matters shall include reviewing and making recommendations, as appropriate, in regard to the Corporation's environmental management program, including corporate environmental policies and procedures. It shall also satisfy itself that Management of the Corporation monitors trends and reviews current and emerging issues in the environmental field, and evaluates their potential impact on the Corporation.
- **Community**: The TCR Committee's responsibilities with respect to community responsibility matters will include recommending actions for developing social policies, programs, procedures and activities in communities where the Corporation conducts its business to ensure that the principles set out in such policies are being adhered to and achieved and to integrate such activities with, and participate in, local communities as good corporate citizens. The TCR Committee will also receive reports from Management on the social responsibility programs, including diversity, social inclusion, community relations, sustainable development and security policies and procedures. It shall recommend actions to ensure meaningful and transparent engagement and communications with all stakeholders and seek to build mutually beneficial relationships with the communities that are impacted by the Corporation's activities. It shall monitor the Corporation's contribution to social development and a culture of continuous improvement in its workforce. The TCR Committee shall ensure that Management is monitoring trends and reviewing current and emerging issues in the corporate social responsibility field and evaluating their potential impact on the Corporation. It shall review reports from Management on the Corporation's corporate social responsibility performance to assess the effectiveness of the program and to evaluate recommended changes that may improve effectiveness.

Other Board Committees

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

Assessments

The Board does not consider formal assessments useful given the stage of the Company's business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his or her contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers

procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Nominating Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

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

Composition of the Audit Committee

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

Table 15. Details of members of the Corporation's Audit Committee.

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

Notes:

(1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the board of directors of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

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

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

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

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

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

External Auditor Services Fees (By Category)

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

Table 16. Summary of fees billed to the Company by its external auditor in the years ending December 31, 2015 and December 31, 2016.

Financial Year Ending	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
December 31, 2016	$12,780	Nil	$1,200	Nil
December 31, 2015	$16,250	Nil	$1,200	Nil

Notes:

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

Exemption

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended December 31, 2016, no director, executive officer or associate of any director or executive officer of the Company was indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Inquiries including requests for copies of this information circular, the Financial Statements and MD&A for the year ended December 31, 2016 may be directed to the Company's transfer agent toll-free by telephone at 1.844.499.4482. Additional financial information is provided in the Financial Statements and MD&A for the year ended December 31, 2016 which is also available on SEDAR and the Company's website at www.auraniaresources.com.

APPROVAL

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

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Keith Barron*"

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

SCHEDULE "A"

SPECIAL RESOLUTION OF SHAREHOLDERS
OF
AURANIA RESOURCES LTD.
(the "**Corporation**")

ACQUISITION OF ECUASOLIDUS S.A.

WHEREAS the Corporation's board of directors (the "**Board**") has entered into a purchase and sale agreement with Keith Barron and Ecuasolidus S.A. effective February 27, 2017 (the "**Purchase and Sale Agreement**") in order to acquire the mineral exploration licenses, totaling 207,764Ha in the Cordillera de Cutucu, located in the province of Morona-Santiago in southeastern Ecuador:

AND WHEREAS the Board recommends the Purchase and Sale Agreement for approval by the shareholders of the Corporation;

AND WHEREAS shareholders other than Keith Barron and his associate and affiliates may vote on the matters herein;

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Corporation be and it is hereby authorized to enter into and perform its obligations under the Purchase and Sale Agreement in substantially the form presented to the Board, subject to such amendments or variations thereto as may be approved by any one of the officers or directors authorized to sign the Purchase and Sale Agreement on behalf of the Corporation, and the signed Purchase and Sale Agreement is the agreement which is authorized and approved by these resolutions;

2. The actions of the directors of the Corporation in approving the Purchase and Sale Agreement, and the actions of the directors and officers of the Corporation in executing and delivering and causing the Corporation to perform its obligations under the Purchase and Sale Agreement and any amendments thereto are hereby ratified and confirmed;

3. Notwithstanding that this resolution may be duly passed by the shareholders of the Corporation, the Board be authorized and empowered, at any time prior to the closing of the transaction contemplated by the Purchase and Sale Agreement, without further notice to or approval of the shareholders of the Corporation or other interested or affected parties to (i) amend or terminate the Purchase and Sale Agreement to the extent permitted by the Purchase and Sale Agreement, and (ii) not to proceed with the transaction contemplated by the Purchase and Sale Agreement to the extent permitted by the Purchase and Sale Agreement or otherwise give effect to these resolutions; and

4. Any one or more of the directors and officers of the Corporation be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Corporation or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of these resolutions.

SCHEDULE "B"

RESTRICTED STOCK UNIT INCENTIVE PLAN

AURANIA RESOURCES LTD.

RESTRICTED STOCK UNIT INCENTIVE PLAN

AURANIA RESOURCES LTD.

RESTRICTED STOCK UNIT INCENTIVE PLAN

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

1. PURPOSE

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

2. DEFINITIONS

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

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

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

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

2.4 "**Board**" means the Board of Directors of the Company.

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

2.6 "**Change of Control**" means (i) a takeover bid for a sufficient number of Shares such that if such number of Shares are tendered into the bid and the bid closes, the bidder and all parties acting jointly or in concert with the bidder (the "**bid group**") would have direction or control over more than 50% of the outstanding common shares of the Company, excluding the shares subject to the Plan, unless parties exercising control or direction over a blocking number of common shares of the Company have provided by the date (the "**blocking date**") which is five business days before the initial expiry date of the bid, their written undertaking to all Grantees under the Plan not to tender into the bid, in the aggregate, at least a blocking number of Shares; "**blocking number**" means that number of common shares of the Company which, if withheld from being tendered into the bid and assuming no increase in the number of outstanding common shares of the Company, would result in the bidder not acquiring direction or control over more than 50% of the outstanding common shares of the Company immediately following closing of the bid; (ii) a merger, consolidation, combination, reorganization or other transaction pursuant to which a party, or parties acting jointly and in concert, would acquire direction or control over more than 50% of the outstanding common shares of the Company or more than 50% of the votes attaching to all of the voting securities of any successor entity resulting from such transaction; (iii) a sale of all or substantially all of the assets of the Company determined on either a consolidated or a non-consolidated basis; or (iv) the election or appointment to the Board of a number of persons who represent a majority of the Board and who were not proposed or approved by a majority of the Board as previously constituted.The effective date of a Change of Control is (a) for the purposes of (i), the date immediately following the blocking date; (b) for the purposes of (ii) and (iii), the date of the latest of shareholder, other stakeholder, Court or other required approval of the transaction; and for the purposes of (iv), the date of the shareholder resolution or other

corporate action approving the election or appointment.

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

2.8 "**Company**" means Aurania Resources Ltd.

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

2.9.1 is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;

2.9.2 provides the services under a written contract between the Company or the Affiliate and the individual or the company, as the case may be;

(i) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and

(ii) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

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

2.11 "**Effective Date**" means ▲, 2017, the date the Plan is approved by the Board.

2.12 **"Employee"** means:

(a) an individual who is considered an employee of the Company or its Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

(b) an individual who works full-time for the Company or its Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(c) an individual who works for the Company or its Subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. ADMINISTRATION OF THE PLAN

3.1 Board

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

3.2 Committee

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

(i) Except as provided in Subsection (ii) and except as the Board may otherwise determine, the Committee, if any, appointed by the Board to administer the Plan shall consist of two or more Outside Directors of

the Company who meet such requirements as may be established from time to time by the securities regulatory authorities for such incentive plans and who comply with the independence requirements of applicable securities regulatory policies.

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

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

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

3.3 Terms of Awards

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

(i) designate Grantees;

(ii) determine the number of Shares to be subject to an Award;

(iii) establish the terms and conditions of each Award (including, but not limited to, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting or forfeiture of an Award and any other terms or conditions);

(iv) prescribe the form of each Award Agreement evidencing an Award;

(iv) establish performance criteria; and

(v) amend, modify, or supplement the terms of any outstanding Award. Such authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside Canada to recognize differences in local law, tax policy, or custom.

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

3.4 No Liability

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

3.5 Book Entry

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

4. SHARES SUBJECT TO THE PLAN

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

Notwithstanding the foregoing:

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

(ii) the number of securities issued to insiders of the Company pursuant to such arrangements, within any one-year period, cannot exceed 10% of the issued and outstanding Shares;

(iii) the number of Shares issuable to any one Service Provider or other individual pursuant to an Award within any one-year period, cannot exceed 1% of the issued and outstanding Shares; and

(iv) the aggregate number of Shares issuable to all Service Providers pursuant to Awards within any one-year period, cannot exceed 2% of the issued and outstanding Shares.

5. EFFECTIVE DATE, DURATION AND AMENDMENTS

5.1 Effective Date

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

5.2 Term

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

5.3 Amendment and Termination of the Plan

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

6. AWARD ELIGIBILITY AND LIMITATIONS

6.1 Service Providers

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

6.2 Successive Awards

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

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

Awards granted under the Plan may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate, or any other right of a Grantee to receive payment from the Company or any Affiliate. Such additional, tandem, and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall require the surrender of such other Award in consideration for the grant of the new Award.

7. AWARD AGREEMENT

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

8. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

8.1 Grant of Restricted Stock Units

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

8.2 Restrictions and Vesting

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

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

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

8.3 Restricted Stock Unit Accounts

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

8.4 Rights of Holders of Restricted Stock Units

8.4.1 Voting and Dividend Rights

Grantees of Restricted Stock Units shall have no rights as shareholders of the Company. The Board may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the Grantee shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Shares, a cash payment for each Restricted Stock Unit granted equal to the per-share dividend paid on the outstanding Shares. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of the Shares on the date that such dividend is paid.

8.4.2 Creditor's Rights

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

8.5 Termination of Service

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

8.6 Delivery of Shares

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

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

8.7 Exchange Hold Period

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

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

9. TERMS AND CONDITIONS OF AWARDS

9.1 Performance Conditions

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

9.2 Performance Goals Generally

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

9.3 Business Criteria

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

9.4 Timing For Establishing Performance Goals

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

9.5 Written Determinations

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

10. REQUIREMENTS OF LAW

10.1 General

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

11. EFFECT OF CHANGES IN CAPITALIZATION

11.1 Changes in Shares

If the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization,

reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which Awards may be made under the Plan shall be adjusted proportionately and accordingly by the Company. In addition, the number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Notwithstanding the foregoing, in the event of any distribution to the Company's shareholders of securities of any other entity or other assets (including an extraordinary cash dividend but excluding a non-extraordinary dividend payable in cash or in shares of the Company) without receipt of consideration by the Company, the Company may, in such manner as the Company deems appropriate, adjust the number and kind of shares subject to outstanding Awards.

11.2 Change of Control

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

11.3 Adjustments

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

11.4 No Limitations on Company

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

12. GENERAL PROVISIONS

12.1 Disclaimer of Rights

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

12.2 Nonexclusivity of the Plan

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

12.3 Withholding Taxes

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

12.4 Captions

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

12.5 Other Provisions

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

12.6 Number and Gender

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

12.7 Severability

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

12.8 Governing Law

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

12.9 No Representation or Warranty

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

12.10 Conflict

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

12.11 Time of Essence

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

Approved by the Board of Directors on April 25, 2017.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

MANDATE

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

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

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

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

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

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

MEMBERSHIP AND COMPOSITION

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

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

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

MEETINGS

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

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

DUTIES AND RESPONSIBILITIES

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

A. Financial Reporting and Disclosure

i. Review and discuss with management and the external auditor at the completion of the annual examination:

   a. the Company's audited financial statements and related notes;

   b. the external auditor's audit of the financial statements and their report thereon;

   c. any significant changes required in the external auditor's audit plan;

   d. any serious difficulties or disputes with Management encountered during the course of the audit; and

   e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

ii. Review and discuss with Management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.

iii. Review, discuss with Management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.

iv. Review and discuss with Management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.

v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.

vi. Meet independently with the external auditor and Management in separate executive sessions, as necessary or appropriate.

vii. Ensure that Management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

EXTERNAL AUDITOR

i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.

ii. Recommend to the Board of Directors the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.

iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.

iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:

   a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,

b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and

c. approve in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX Venture Exchange with respect to approval of non-audit related serviced performed by the auditor.

INTERNAL CONTROLS AND AUDIT

i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with Management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.

ii. Assess the requirement for the appointment of an internal auditor for the Company.

iii. Inquire of Management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of Management and the external auditor about significant financial risks or exposures and the steps Management has taken to minimize such risks to the Company.

OVERSIGHT FUNCTION

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

CHARTER REVIEW

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

ADOPTION

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