



AURION RESOURCES LTD

Notice of Annual General and Special Meeting of Shareholders

To be held on July 7, 2017

and

Management Information Circular

Dated June 2, 2017

AURION RESOURCES LTD

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON July 7, 2017

The annual general and special meeting of the shareholders of Aurion Resources Ltd will be held at the offices of the Corporation, 120 Torbay Road, Suite W240, St. John's, Newfoundland and Labrador on July 7, 2017 at 2:00 pm (Newfoundland time) in order to:

1. receive and consider financial statements for the fiscal year ended December 31, 2016;
2. fix the number of directors to be elected at six;
3. elect the directors;
4. appoint the auditors and to authorize the directors to fix their remuneration;
5. ratify and approve the Stock Option Plan; and
6. transact such other business as may properly be brought before the Meeting or any adjournment.

The details of the matters proposed are set forth in the Management Information Circular accompanying this notice.

If you are unable to attend the Meeting in person, date and sign the enclosed form of proxy and deposit it with Computershare Trust Company of Canada, 100 University Avenue, 9th floor, Toronto, ON M5J 2Y1. In order to be valid and acted upon at the Meeting, the form of proxy must be returned not less than 48 hours before the time for holding the meeting (excluding Saturdays, Sundays and holidays) or any adjournment.

Only shareholders of record at the close of business on June 2, 2017 will be entitled to vote at the Meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

DATED at St. John's Newfoundland and Labrador this June 2, 2017.

By order of the Board of Directors

"Michael Basha"

Michael Basha
President & Chief Executive Officer

**AURION RESOURCES LTD
(the "Corporation")**

**Management Information Circular
for the Annual General and Special Meeting to be held on July 7, 2017
Dated June 2, 2017**

PROXIES

Solicitation of Proxies

This management information circular ("Circular") is furnished in connection with the solicitation of proxies for use at the annual general and special meeting of shareholders (the "Meeting") to be held at the offices of the Corporation, **120 Torbay Road, Suite W240, St. John's, Newfoundland and Labrador** at 2:00 pm (Newfoundland time) on July 7, 2017 and at any adjournment.

Registered Shareholders

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. Forms of proxy must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1, not less than 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment. Only holders of common shares (the "shareholders") of record at the close of business on June 2, 2017 will be entitled to vote at the Meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

The form appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE OFFICERS OR DIRECTORS OF THE CORPORATION. AS A SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO REPRESENT YOU AT THE MEETING. TO EXERCISE THIS RIGHT, YOU SHOULD INSERT THE NAME OF YOUR REPRESENTATIVE IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY AND STRIKE OUT THE OTHER PROXY NOMINEE NAMES.

Voting of Shares - Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to you if you do not hold your shares in your own name. Only proxies deposited by shareholders whose names appear on the records as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name. Such shares will likely be registered under the name of your broker. Without specific instructions, your broker is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Each broker has its own mailing procedures and provides its own

return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications ("Broadridge"). Broadridge mails a Voting Information Form ("VIF") instead of the form of proxy. You are asked to complete and return the VIF to them according to the instructions on the VIF. Alternately, you can call their toll-free telephone number to vote your shares. If you receive a VIF from Broadridge it cannot be used as a proxy to vote shares directly at the Meeting as the VIF must be returned to Broadridge in advance of the Meeting in order to have the shares voted.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or the agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 (those shareholders that object to having their contact information provided to the Corporation) the proxy-related materials, in which case the objecting beneficial owner will only receive the proxy material if the intermediary assumes the cost of delivery.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you attend personally at the Meeting, you may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at the Corporation's head office, or with Computershare Trust Company of Canada, at any time up to 48 hours before the time of the meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment.

Persons Making the Solicitation

This solicitation is made on behalf of management. The Corporation will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the directors, officers and employees who will not be remunerated for their services.

Exercise of Discretion by Proxy

Where you specify a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specification. If you do not provide instructions your shares will be voted in favour of the matters as set out in the form of proxy. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments of the matters specified and with respect to any other matters which may properly be brought before the Meeting or any adjournment. At the time of printing of this Circular, management is not aware of any amendments.

Notice and Access

The Corporation will not be sending the proxy-related materials to registered holders or beneficial owners using notice-and-access.

Request for Financial Statements

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

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of common shares. As at the record date of June 2, 2017, there were 61,794,460 common shares issued and outstanding. As a shareholder, you are entitled to one vote for each share you own. A quorum for the transaction of business at the Meeting is 1 shareholder representing in person or by proxy not less than 5% of the issued common shares entitled to vote at the Meeting.

To the knowledge of the Corporation, as at May 30, 2016, Lotan Holdings Inc., 350 Bay Street, Suite 700, Toronto, ON M5H 2S6, beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the common shares. As of June 2, 2017, Lotan Holdings Inc. owns 6,451,500 common shares, representing 10.44% of the Corporation's issued and outstanding shares.

The directors and officers of the Corporation own or control, directly or indirectly, in the aggregate, 9,101,496 Common Shares, representing 14.7% of the outstanding Common Shares as at June 2, 2017.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The Board has approved the audited consolidated financial statements for the fiscal year ended December 31, 2016, together with the auditor's report thereon. Copies of these financial statements have been sent to those shareholders who had requested receipt of the same and are also available on SEDAR at www.sedar.com.

Set Numbers of Directors

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

Election of Directors

Advance Notice Policy

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

The purpose of the Advance Notice Policy is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Corporation. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders. The Advance Notice Policy can be found on the Corporation's website under "Corporate" at www.aurionresources.ca.

It is proposed that five directors be elected, to hold office until the next annual meeting or until successors are elected or appointed. There are currently six directors, each of whom retire from office at the close of the Meeting, unless re-elected. Unless otherwise directed, it is the intention of management to vote proxies in favour of the nominees.

In the event that a vacancy occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to the filing of the vacancy.

Name and Residence	Voting Shares	Offices Held and Time as Director	Principal Occupation
Michael Basha ⁽¹⁾ Newfoundland & Labrador, Canada	2,391,071	President & CEO of the Corporation. Director since May 15, 2008	President & CEO of the Corporation since October 2008. VP Exploration and Executive VP of Cornerstone Resources Inc. from April 2002 to July 2008.
Richard A. Graham ⁽¹⁾ British Columbia, Canada	131,525	Past President & CEO of the Corporation, April 6, 2006 – October 16, 2008 Director since April 6, 2006	Manager of Corporate Development of Earlston Management Corp, a private management company.
Dennis Clarke ⁽¹⁾ Newfoundland & Labrador, Canada	-	Director since November 15, 2012	Barrister & Solicitor: Partner, Goodland Buckingham.

Name and Residence	Voting Shares	Offices Held and Time as Director	Principal Occupation
Matti Talikka ⁽¹⁾ Uusimaa, Finland	12,000	Director since January 15, 2015	Director Geometallurgy & Project Evaluation, Outotec Oy; previously worked for Dragon Mining Limited (2007 – 2015) and held several roles including General Manager, Exploration.
David Loveys Newfoundland & Labrador, Canada	115,400	CFO & Corporate Secretary of the Corporation since February 1, 2010 Director since June 30, 2010	CFO & Corporate Secretary of the Corporation; President, D.R. Loveys & Associates Inc. VP Finance & CFO of Cornerstone Capital Resources Inc. from 2005 to December 2015.
David Lotan Ontario, Canada	6,451,500	Director since April 20, 2017	President of Lotan Holdings Inc., a private investment company focused on natural resource opportunities.

¹ Member of the Audit Committee

The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished by the nominees, as of record date, June 2, 2017.

To the knowledge of the Corporation, no proposed director is, as at the date of this Circular or has been, within the last 10 years, a director or executive officer of any company that (a) was the subject of an order that was issued while the director was acting in the capacity as director or executive officer; or (b) was subject to an order that was issued after the director ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; or (c) while that person was acting in that capacity or within one 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.

To the knowledge of the Corporation, no proposed director has within the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Appointment of Auditors

Management is proposing to appoint Davidson & Company LLP, Chartered Accountants, Vancouver, British Columbia as auditors, to hold office until the next annual meeting, and authorize the directors to fix their remuneration. Davidson & Company LLP was first appointed as auditor of the Corporation in December 2015.

Approval of Stock Option Plan

The policies of the TSXV require that stock option plans which reserve for issuance up to 10% of a listed corporation's shares be approved annually by the shareholders of the listed corporation. There have been no changes to the Corporation's stock option plan ("Option Plan") since it was last approved by the shareholders on June 30, 2016. Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve an ordinary resolution ratifying and approving the Option Plan. The approval by shareholders requires a favorable vote of a majority of the common shares voted in respect thereof at the Meeting.

The purpose of the Option Plan is to advance the Corporation's interests by encouraging its directors, officers and key employees and consultants retained by it to acquire common shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the shareholders generally; (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on the Corporation's behalf.

Pursuant to the Option Plan, options may be granted to officers, directors, employees and consultants (the "Eligible Participants") of the Corporation or its affiliates. The maximum number of common shares reserved for issuance upon exercise of options granted thereunder may not exceed 10% of the total number of the issued common shares at the time the options are granted. Under the Option Plan, no one Eligible Participant may be granted options to purchase more than 5% of the issued common shares unless the Corporation has obtained disinterested shareholder approval. No more than 2% of the issued common shares may be granted to any one consultant in any twelve month period and no more than an aggregate of 2% of the issued common shares may be granted to any person conducting investor relations activities in any twelve month period.

The exercise price of options granted will be determined by the Board at its sole discretion and may not be less than the price permitted under the rules of the TSX Venture Exchange. The maximum term for Options granted under the Plan will be ten years. Shares issued upon exercise of options granted under the Plan will be subject to a four month resale restriction as imposed by the TSXV.

If the optionee ceases to be an Eligible Participant for any reason other than death, then the Option shall expire on the earlier of: (a) such date within a reasonable period of time to be established by the Board after the optionee ceases to be an Eligible Participant, and (b) the expiry of the Option Period. In the event of death of an optionee, options held by such optionee may be exercised until the earlier of the expiry date of such options or one year from the date of death.

The Option Plan requires disinterested shareholder approval for a reduction in the exercise price of options granted to an Insider.

Subject to the foregoing restrictions, and certain other restrictions set forth in the Option Plan, the Board is authorized to provide for the granting of options and the exercise and method of exercise of options granted under the Option Plan. Options granted under the Option Plan are non-assignable.

RECOMMENDATION OF DIRECTORS

The Corporation's directors have reviewed and considered all facts respecting the foregoing matters, which they have considered to be relevant to shareholders. It is the unanimous recommendation of the directors that shareholders vote for passage of the foregoing resolutions.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Audit Committee Charter is attached as Exhibit "A" to this Circular.

Composition of the Audit Committee

Name	Independent/Not Independent	Financially Literate/Not Financially Literate	Relevant education and experience
Richard A. Graham	Independent	Financially Literate	Manager of Corporate development of Earlston Management Corp., a private management company. Extensive experience as a director/officer of numerous publicly traded companies. Audit committee member of other publically traded companies.
Dennis Clarke	Independent	Financially Literate	Barrister & Solicitor specializing in corporate law. Partner with Goodland Buckingham.
Matti Talikka	Independent	Financially literate	Director Geometallurgy & Project Evaluation, Outotec Oy; previously worked for Dragon Mining Limited (2007 – 2015) and held several roles including General Manager, Exploration.
Michael Basha	Not Independent	Financially Literate	President & CEO of the Corporation

Audit Committee Oversight

The Audit Committee reports directly to the Board of Directors of the Corporation. During the year all recommendations of the Audit Committee were adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, it has not relied on the exemptions contained in section 2.4, Subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside of Control of Member, Subsection 6.1.1(b) (Death, Incapacity or Resignation) or part 8 of National Instrument 52-110 *Audit Committees* ("NI 52-110"). Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided.

Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee must approve all non-audit services provided by the auditors prior to any work commencing.

External Auditor Service Fees

Audit Fees

The following table discloses the fees billed to the Corporation by its external auditor during the two most recently completed financial years.

Fiscal Year Ended	Audit Fees (Aggregate fees billed for audit services)	Audit related fees	Tax Fees	All Other Fees
2016	\$22,000	Nil	\$3,940	Nil
2015	\$34,500	Nil	\$3,000	Nil

Exemption

The Corporation is relying on the exemption provided by Part 6.1 of NI 52-110 for Venture Issuers which allows for an exemption from Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in this Circular.

CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors

The Board is composed of six Directors. Mike Basha is President and CEO and David Loveys is CFO and Corporate Secretary and, thus, are not considered independent. Each of the remaining directors, Richard Graham, Matti Talikka, Dennis Clarke and David Lotan are independent.

2. **Mandate and Responsibility of the Board**

The Board is responsible for supervising management in carrying on the business and affairs of the Corporation. Directors are required to act and exercise their powers with reasonable prudence in our best interests. The Board is responsible for overseeing management's performance in the following particular areas: the strategic planning process; identification and management of the principal risks associated with the business; planning for succession of management; policies regarding communications with shareholders and others; and the integrity of internal controls and management information systems.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the Corporation's operations and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the full Board and of its committees. The CEO is a member of the Board, giving the Board direct access to information on all areas of responsibility.

3. **Directorships**

Certain of the Corporation's directors are also directors of other reporting issuers as follows:

Name	Reporting Issuer
Richard A. Graham	Rhyolite Resources Ltd. Kramer Capital Corp. Marchwell Ventures Ltd.
Michael Basha	Rhyolite Resources Ltd.
Dennis Clarke	N/A
Matti Talikka	N/A
David Loveys	Cornerstone Capital Resources Inc.
David Lotan	Rapier Gold

4. **Orientation and Continuing Education**

The Board ensures that all new members are provided access to senior management to discuss current business strategies or any other items of interest, including historical information about the Corporation. New members are encouraged to meet individually with existing board members to gain a better knowledge of the Corporation's history. The Corporation also encourages and supports board members to further their corporate education programs.

5. Ethical Business Conduct

The Board views good corporate governance as an integral component to its success and to meet its responsibilities to shareholders. The Board encourages ethical business conduct through the nomination of board members it considers experienced in ethical business standards.

6. Nomination of Directors

The Board does not have a nominating committee. Recruitment of new directors is principally the responsibility of the existing Board of Directors, often with recommendations from shareholders. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

7. Compensation

The Compensation Committee (established July 23, 2010), which is currently made up of Richard Graham, Dennis Clarke, David Lotan and Michael Basha, reviews the CEO and Officers' remuneration on an annual basis and recommends any changes to the Board for approval. Richard Graham, Dennis Clarke and David Lotan are independent directors. As President and CEO of the Corporation, Mike Basha is not independent and abstains from voting on the CEO's remuneration. Both independent members of the Committee have experience in executive compensation from their experiences with other organizations and boards. All Board members receive reimbursement of expenses incurred while acting as a director. The Board, as a whole reviews the stock option plan and any grants to the Board members or officers.

8. Other Board Committees

The Board has no other standing committee other than the Audit Committee and the Compensation Committee.

9. Assessment

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee and its individual directors are performing effectively.

EXECUTIVE COMPENSATION

DEFINITION OF NAMED EXECUTIVE OFFICERS

"NEO" or **"named executive officer"** means each of the following individuals:

- (a) the Chief Executive Officer ("CEO");
- (b) the Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the

end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

During the year ended December 31, 2016, the Corporation had two NEOs, being Mike Basha, President and CEO and David Loveys, CFO.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's NEOs has been established to attract and retain executives critical to the short, medium and long-term success of the Corporation. Such compensation must be competitive with other similar organizations in the industry. The compensation is in line with industry standards for an exploration company in the early stages of development.

Compensation is in the form of a salary, which is a set specific annual amount or, in some cases based on time charged to the Corporation at an agreed upon daily or hourly rate. In addition, the Corporation grants options to purchase common shares to the NEOs under the Corporation's stock option plan.

Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Compensation Process – The compensation of NEOs is the responsibility of the Compensation Committee, which reviews the CEO and Officers' long term and short-term remuneration, including salary and stock option based compensation, on an annual basis and recommends any changes to the Board for approval by the independent members of the Board.

Option Based Awards - Long-term incentive in the form of options to purchase common shares of the Corporation are intended to align the interests of the Corporation's directors and its executive officers with those of its shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of shareholder value. The stock option incentive plan is administered by the Board of Directors. In establishing the number of the incentive stock options to be granted to the NEOs, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Corporation, are involved in the mineral exploration industry, as well as those of other publicly traded Canadian companies of a comparable size to the Corporation. The Board of Directors also considers previous grants of options and 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. The level of effort, time, responsibility, ability, experience and level of commitment of the executive officer is also considered in determining the level of incentive stock option compensation

The Board of Directors did not consider the implications of the risks associated with the Corporation's compensation policies and practices. The NEOs and directors are not permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEOs or directors.

SUMMARY COMPENSATION TABLE

The following compensation information relates to amounts paid to the Named Executive Officers. None of the other executive officers received total compensation exceeding \$150,000 during the year ended December 31, 2016.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) (2)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Term Incentive Plans			
Michael Basha President & Chief Executive Officer	2016	133,333	Nil	\$27,018	Nil	Nil	Nil	Nil	160,351
	2015	130,000	Nil	Nil	Nil	Nil	Nil	Nil	130,000
	2014	130,000	Nil	Nil	Nil	Nil	Nil	Nil	130,000
David Loveys Chief Financial Officer	2016	25,050 ⁽¹⁾	Nil	\$16,211	Nil	Nil	Nil	Nil	41,261
	2015	22,425 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	22,425
	2014	27,500 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	27,500

⁽¹⁾ Paid to D.R. Loveys & Associates Inc., a company wholly-owned by David Loveys. D.R. Loveys & Associates Inc. is paid at the rate of \$75 per hour for providing the services of Chief Financial Officer and Corporate Secretary.

⁽²⁾ The Corporation uses the Black-Scholes option pricing model for determining the value of stock options issued at the grant date. There is no certainty that the options will be exercised and that the fair value as shown will be received by the NEO.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table provides details of outstanding option-based awards granted to NEOs as at December 31, 2016.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Michael Basha	150,000 500,000	0.25 0.10	2017/11/15 2021/01/19	\$ 19,500 \$140,000	N/A	N/A
David Loveys	25,000 300,000	0.25 0.10	2017/11/15 2021/01/19	\$ 3,250 \$84,000	N/A	N/A

Value Vested or Earned During the Year

The following table provides information regarding value vested or earned through incentive plan awards by the NEOs during the year ended December 31, 2016.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael Basha	Nil	N/A	N/A
David Loveys	Nil	N/A	N/A

PENSION PLAN BENEFITS AND DEFERRED COMPENSATION PLANS

The Corporation does not offer any pension benefits or deferred compensation plans to its NEOs.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as described below, and other than as provided for at common law, there is no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive Officer's responsibilities.

On December 1, 2016, the Corporation entered into an Amended and Restated Employment Agreement "(Employment Agreement)" with Michael Basha whereby the Corporation agreed to retain Mr. Basha as President and Chief Executive Officer. The Employment Agreement provides that the Corporation may terminate the Employment Agreement at any time without just cause by paying Mr. Basha a lump sum fee equivalent to two years' compensation, by awarding Mr. Basha a pro-rated Bonus to reflect service up to the date of termination and by allowing stock options granted to Mr. Basha to continue to vest for a period of two years (the Settlement Amount"). In the event that Mr. Basha is terminated or terminates the agreement within one year of a change of control of the Corporation, he will be entitled to the Settlement Amount. For the purposes of the Employment Agreement, change of control is deemed to have occurred when a). a person becomes a "control person" (as defined in the *Securities Act* (Newfoundland and Labrador), b). a majority of the Directors elected at any annual or special meeting of shareholders of the Corporation are not individuals nominated by the Corporation's

then-incumbent board of directors, c). the Corporation sells, transfers, leases or otherwise disposes of all or substantially all of its assets, d). any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Corporation. At December 31, 2016, termination of the employment agreement with Mr. Basha without just cause, would result in a liability to the Corporation of \$340,000.

COMPENSATION OF DIRECTORS

With the exception of option-based awards, there was no compensation paid to, or earned by any Directors of the Corporation who were not NEOs. See NEO compensation and option-based awards.

Outstanding Option-Based Awards

The following table provides details of outstanding option-based awards granted to Directors of the Corporation who were not NEOs as at December 31, 2016.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Richard Graham	25,000	0.25	2017/11/15	\$ 3,250	N/A	N/A
	300,000	0.10	2021/01/19	\$84,000		
Matti Talikka	300,000	0.10	2021/01/19	\$84,000	N/A	N/A
Dennis Clarke	100,000	0.25	2017/11/15	\$13,000	N/A	N/A
	300,000	0.10	2021/01/19	\$84,000		

Value Vested or Earned During the Year

The following table provides information regarding value vested or earned through incentive plan awards by Directors of the Corporation who were not NEOs as at December 31, 2015

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Richard Graham	Nil	N/A	N/A
Matti Talikka	Nil	N/A	N/A
Dennis Clarke	Nil	N/A	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Stock Option Plan is the only equity compensation plan. The following table sets forth information with respect to the options outstanding under the Plan as at December 31, 2016.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders	3,550,000	\$0.14	1,977,739
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,550,000	\$0.14	1,977,739

The aggregate number of shares upon the exercise of all options granted under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time.

Our Stock Option Plan provides for the issuance of stock options to acquire up to 10% of our issued common shares as of the date of granting of the option(s), subject to standard anti-dilution adjustments. This is a “rolling” plan as the number of common shares reserved for issuance pursuant to the grant of stock options will increase as our issued and outstanding common shares increases.

The Board has the authority under the Stock Option Plan to establish the option price at the time each option is granted, which price shall not be less than the discounted market price of the common shares at the time of grant. Options granted under the Stock Option Plan are exercisable over a period not exceeding ten years from the date of grant, subject to earlier termination if the optionee ceases to be an eligible person by reason of termination of employment, retirement, disability or death. The options granted under the plan are not transferable or assignable other than by will or the laws of descent and distribution.

MANAGEMENT CONTRACTS

The Corporation’s management functions are not, to any substantial degree, performed by a person or persons other than its directors or senior officers, other than as disclosed herein.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management is not aware of any indebtedness outstanding by any of the directors, executive officers, proposed director or any of their associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by the Corporation or any subsidiaries, to these individuals, at the date of this Circular or at December 31, 2016, the date of the last completed financial year.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, there were no material interests, direct or indirect, of any of the informed persons, any proposed nominee for election as a director, or any associate or affiliate of such persons, in any transaction since the last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of the subsidiaries.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of these individuals, in any matter to be acted on at the Meeting.

ADDITIONAL INFORMATION

Additional financial information regarding the Corporation's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016. These statements and all the continuous disclosure documents submitted to the securities regulators can be found on SEDAR at www.sedar.com. Shareholders may request a copy of the financial statements and management's discussion and analysis from the Corporation at (709) 722-2166.

EXHIBIT "A"

AUDIT COMMITTEE CHARTER

A. Composition and Process

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

10. The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

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

C. Relationship with External Auditor

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

D. Accounting Systems, Internal Controls and Procedures

21. The Audit Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems

are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.

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

E. Statutory and Regulatory Responsibilities

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

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

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

F. Reporting

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