

## **PANORO MINERALS LTD.**

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### **INFORMATION CIRCULAR**

#### **SOLICITATION OF PROXIES BY MANAGEMENT**

**This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Panoro Minerals Ltd. (the “Company”) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held at The Vancouver Club, SFU Room, 915 West Hastings Street, Vancouver, British Columbia on Thursday, June 20, 2019 at 11 a.m. (Vancouver time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, electronically or by telephone by directors, officers, employees or consultants of the Company. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Company (“**Common Shares**”) pursuant to the requirements of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”).

The Company is not relying on the notice-and-access provisions of National Instrument 54-101 to send proxy related materials to registered shareholders or beneficial owners of shares in connection with the Meeting.

The Company may reimburse shareholders’ nominees or intermediaries (including brokers or their agents holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. The cost of any such solicitation will be borne by the Company. Unless otherwise stated, the information contained in this Information Circular is given as at May 16, 2019.

#### **APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder’s behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named in the enclosed proxy (the “**Management Designees**”) have been selected by the directors of the Company.

**A Shareholder has the right to designate a person (who need not be a Shareholder), other than the Management Designees to represent the Shareholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the proxy the name of the person to be designated, and by deleting from the proxy the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company.** Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxyholder and attend the Meeting, and provide instructions on how the Shareholder’s shares are to be voted. The nominee should bring personal identification with them to the Meeting.

To be valid, the proxy must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy). The proxy must then be delivered to the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America

to 1-866-249-7775, and outside North America to (416) 263-9524, at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof. Proxies received after that time may be accepted by the Chairman of the Meeting in the Chairman's discretion, but the Chairman is under no obligation to accept late proxies.

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting their shares. A Shareholder may also revoke their proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing, including a proxy bearing a later date executed by the registered Shareholder or by their authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Company's registrar and transfer agent at the foregoing address or the head office of the Company, at Suite 1610, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof. **Only registered Shareholders have the right to revoke a proxy. Non-registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective nominees to revoke the proxy on their behalf.**

### VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each registered Shareholder and each proxyholder (representing a registered or unregistered Shareholder) having one vote, unless a poll is required or requested, whereupon each such Shareholder and proxyholder is entitled to one vote for each Common Share held or represented, respectively. Each Shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the proxy, the Management Designees, if named as proxyholder, will vote in favour of the matters set out therein.**

**The enclosed proxy confers discretionary authority upon the Management Designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters properly come before the Meeting, then the Management Designees intend to vote in a manner which in their judgment is in the best interests of the Company.**

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**"), unless the motion requires a "**special resolution**" in which case a majority of 66 2/3% of the votes cast will be required.

### BENEFICIAL HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" or "beneficial" shareholders because the 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 shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "**Beneficial Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the

Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting Materials will either:

- (a) 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 shares beneficially owned by the Beneficial Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company’s transfer agent as provided above; or**
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Beneficial Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Beneficial Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the shares which they beneficially own. Should a Beneficial Holder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the Management Designees named in the form and insert the Beneficial Holder’s name in the blank space provided. **In either case, Beneficial Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares, without nominal or par value, of which as at the date hereof, 263,837,522 common shares are issued and outstanding.

The holders of common shares of record at the close of business on the record date, set by the directors of the Company to be May 16, 2019, are entitled to vote such common shares at the Meeting on the basis of one vote for each common share held.

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two (2) Shareholders, or one or more proxyholders representing two Shareholders, or one Shareholder and a proxyholder representing another Shareholder.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company other than:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
Hudbay Minerals Inc.	30,823,849	11.68%

Those shareholders so desiring may be represented by proxy at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

TO THE KNOWLEDGE OF THE COMPANY'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

### I. Financial Statements

The audited financial statements of the company for the financial year ended December 31, 2018 (the "Financial Statements"), together with the Auditors' Report thereon, will be presented to the shareholders at the Meeting. The Financial Statements have been filed on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.panoro.com](http://www.panoro.com).

### II. Appointment of Auditors

Management proposes the appointment of KPMG LLP, Chartered Accountants, as Auditors of the Company for the ensuing year and that the directors be authorized to fix their remuneration. KPMG LLP have been the Company's Auditors since December 28, 2009.

**In the absence of instructions to the contrary the shares represented by proxy will be voted in favour of a resolution to appoint KPMG LLP, Chartered Accountants, as Auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board of Directors, unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's Common Shares are to be withheld from voting on the appointment of auditors.**

### III. Election of Directors

The board of directors of the Company (the "Board" or the "Board of Directors") currently consists of eight (8) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. All of the current directors of the Company will be standing for re-election. It is proposed that the number of directors for the ensuing year be fixed at eight (8) subject to such increases as may be permitted by the Articles of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8).

It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next Annual General Meeting of the Company or until his successor is duly elected or appointed pursuant to the Articles of the Company unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's Articles.

**It is the intention of the management designees, if named as proxy, to vote for the election of the said persons to the Board of Directors, unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of directors. Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following information relating to the nominees for election to the Board of Directors is based on information received by the Company from said nominees:

<b>Name, Present Office Held and Province or State of Residency</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised at the Date of this Information Circular</b>	<b>Principal Occupation and if not at present an elected director, occupation during the past five (5) years</b>
Augusto Baertl M. Chairman of the Board of Directors Lima, Perú	May 2017	Nil	Professional Mining Engineer Chairman, Graña y Montero Chairman, Agrícola Chapi Chairman, Gestora
William J. Boden <sup>(1)(2)</sup> Director British Columbia	June 1998	12,306,120 (direct)	Chartered Professional Accountant; Chartered Accountant Businessman
Ronald A. Hall Director British Columbia	December 2016	350,000	Retired consulting engineer
Anthony Laub <sup>(1)</sup> Director Lima, Perú	July 2014	Nil	Lawyer, Partner in Laub & Quijandria
Christian G. Pilon Senior Vice President, South America and Director Lima, Perú	June 1998	504,383	Consulting Geophysicist
Luquman A. Shaheen President, Chief Executive Officer and Director British Columbia	April 2008	1,024,500 (direct)  343,000 (indirect)	Professional Engineer; President and Chief Executive Officer of Panoro Minerals Ltd.
Christiaan F. Staargaard <sup>(1)</sup> Director British Columbia	February 2005	70,000	Professional Geoscientist; President, Staargaard Geological Inc.
Lorne A. Torhjelms <sup>(2)</sup> Director British Columbia	April 2002	359,000	President of L.C.T. Management Corp.

<sup>(1)</sup> Member or proposed member of the audit committee

<sup>(2)</sup> Member or proposed member of the compensation committee.

### ***Corporate Cease Trade Orders or Bankruptcies***

To the knowledge of the Company, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

#### ***Individual Bankruptcies***

To the knowledge of the Company, no director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

#### ***Penalties or Sanctions***

To the knowledge of the Company, no proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **IV. Approval of Incentive Stock Option Plan**

At last year's Annual General Meeting, the Shareholders approved a rolling stock option plan (the "**Stock Option Plan**"), authorizing the issuance of incentive stock options to eligible persons for up to an aggregate of 10% of the issued shares of the Company from time to time. The policies of the TSX Venture Exchange (the "**Exchange**") require the approval of the Stock Option Plan by the Company's shareholders on an annual basis. There are currently 263,837,522 shares of the Company issued and outstanding, and therefore the current 10% threshold is 26,383,752 shares available for incentive stock option grants under the Stock Option Plan. Incentive stock options under the Stock Option Plan may be granted by the Board of Directors to eligible persons, who are directors, officers or consultants of the Company or its subsidiaries (if any), or who are employees of a company providing management services to the Company, or who are eligible charitable organizations. Stock options may be granted under the Stock Option Plan with a maximum exercise period of up to five (5) years, as determined by the Board of Directors of the Company.

The Stock Option Plan will limit the number of stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12 month period (unless otherwise approved by the disinterested shareholders of the Company), and not more than 10% of the total issued shares to all insiders at any time or granted over any 12 month period. The number of options granted to any one consultant or person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued shares of the Company. Any stock options granted under the Stock Option Plan will not be subject to any vesting schedule, unless otherwise determined by the Board of Directors or required by the policies of the Exchange.

Options under the Plan may be granted at an exercise price which is at or above the current discounted market price (as defined under the policies of the Exchange) on the date of the grant. In the event of the death or permanent disability of an optionee, any option granted to such optionee will be exercisable upon the earlier of 365 days from the date of death or permanent disability, or the expiry date of the option. In the event of the resignation, or the termination or removal of an optionee without just cause, any option

granted to such optionee will be exercisable for a period of 90 days thereafter. In the event of termination for cause, any option granted to such optionee will be cancelled as at the date of termination.

Shareholders are referred to the full text of the Stock Option Plan, a copy of which has been posted on SEDAR and is available for inspection under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), for complete details.

The Stock Option Plan must be approved by a majority of the shareholders entitled to vote present in person or by proxy at the Meeting, and be accepted for filing by the Exchange.

In the event that annual shareholder approval is not obtained at the Meeting, the Company will implement a new fixed stock option plan for up to 10% of the Company's issued shares (which does not require shareholder approval), and any existing option grants under the Stock Option Plan as previously approved by the shareholders of the Company at the last Annual General Meeting will not be affected.

### **EXECUTIVE COMPENSATION (For the financial year ended December 31, 2018)**

For purposes of this Information Circular, "Named Executive Officer" or "NEO" of the Company means an individual who, at any time during the year, was:

- (a) the Company's chief executive officer ("CEO");
- (b) the Company's chief financial officer ("CFO");
- (c) each of the Company's 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 and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

Based on the foregoing definition, during the last completed financial year of the Company, there were five (5) Named Executive Officers, namely, its President and CEO, Luquman A Shaheen, its CFO, Shannon Ross, its Vice President of Exploration, Luis Vela, its Vice President of Operations in Peru, Yves Barsimantov and Christian G. Pilon, its Senior Vice President of South America.

### **Compensation Discussion and Analysis**

The Compensation Committee is responsible for setting and assessing the compensation of executives. The compensation philosophy of the Committee is designed to reward performance and to be competitive with the compensation arrangements and programs established by other mining companies with which the Company compares itself. The Compensation Committee evaluates each executive officer position to establish skill requirements and levels of responsibility. The Compensation Committee, after referring to information from other corporations and public data, recommends compensation for the executive officers to the Board.

Currently, the Company's executive compensation package consists of the following principal components: salary, various health plan benefits generally available to all employees, and long-term incentive in the form of stock options.

Salaries for executive officers are determined by evaluating the responsibilities inherent in the position held and the individual's experience and past performance, as well as by reference to the competitive

marketplace for management talent at other junior mining companies. In formulating its views and recommendations regarding compensation components, the Board refers to industry data available from SEDAR filings or other publicly referenced material and may consult independent advisors.

Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Options are granted to reward individuals for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

The foregoing factors and criteria are used to assess the appropriate compensation level for the Company's Chief Executive Officer and for the other Named Executive Officers shown in the Summary Compensation Table.

The Company notes that it is in an exploration phase with respect to its properties, has to operate with limited financial resources, and must control costs to ensure that funds are available to complete scheduled exploration programs and otherwise fund its operations. The Board has to consider the current and anticipated financial position of the Company at the time of any compensation determination. The Board has attempted to keep the cash compensation paid to the Company's NEOs relatively modest, while providing long-term incentives through the granting of stock options. The Company periodically contracts external specialist human resource firms to benchmark its salaries and incentive programs to its peer group of companies in the mineral exploration sector.

The Company's executive compensation program is administered by the Board of Directors, upon the recommendations of the Compensation Committee, and is designed to provide incentives for the enhancement of shareholder value. The overall objectives are to attract and retain qualified executives critical to the success of the Company, to provide fair and competitive compensation, to align the interest of management with those of the Shareholders and to reward corporate and individual performance. The Company's compensation package has been structured in order to link shareholder return, measured by the change in the share price, with executive compensation through the use of incentive stock options as the primary element of variable compensation for its Named Executive Officers. The Company does not currently offer long-term incentive plans or pension plans to its Named Executive Officers.

The Company bases the compensation for a NEO on the years of service with the Company, responsibilities of each officer, their duties in that position and their performance in achieving goals and objectives. The Company also bases compensation on the performance of each officer. The Company believes that stock options can create a strong incentive to the performance of each officer and is intended to recognize extra contributions and achievements towards the goals of the Company.

### ***Option-Based Awards***

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its executive officers based upon the recommendation of the Compensation Committee and Board's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Compensation Committee and Board.

The following table sets forth the total compensation paid to or earned by the Named Executive Officers for the Company's three (3) most recently completed financial years:

**Summary Compensation Table**

Name and Principal Position	Year Ended	Salary <sup>(4)</sup> (\$)	Share-based Awards (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$) <sup>(4)</sup>
					Annual Incentive Plans	Long-term Incentive Plans			
Luquman A. Shaheen President and CEO	2018	350,000	-	-	-	-	-	10,043	360,043
	2017	350,000	-	-	-	-	-	11,325	361,325
	2016	215,280	-	-	90,000	-	-	11,009	316,289
Shannon M. Ross CFO (from May 2016)	2018	163,200	-	-	-	-	-	2,128	165,328
	2017	163,200	-	-	-	-	-	2,662	165,862
	2016	62,589	-	-	-	-	-	1,594	64,183
William J. Boden <sup>(1)</sup> Interim CFO (Nov 2015 to May 2016)	2016	20,417	-	-	-	-	-	-	20,417
Christian Pilon <sup>(3)</sup> Senior VP, South American	2018	84,638	-	-	-	-	-	-	84,638
	2017	78,410	-	-	-	-	-	-	78,410
	2016	44,107	-	-	-	-	-	-	44,107
Yves Barsimantov <sup>(3)</sup> , VP, Operations	2018	199,594 <sup>(3)</sup>	-	-	-	-	-	-	199,594
	2017	194,717 <sup>(3)</sup>	-	-	-	-	-	-	194,717
	2016	130,835 <sup>(3)</sup>	-	-	-	-	-	-	130,835
Luis Vela <sup>(3)</sup> VP, Exploration	2018	199,490 <sup>(3)</sup>	-	-	-	-	-	-	199,490
	2017	195,145 <sup>(3)</sup>	-	-	-	-	-	-	195,145
	2016	131,488 <sup>(3)</sup>	-	-	-	-	-	-	131,488

- (1) Mr. Boden was the interim Chief Financial Officer for the Company from November 2015 to May 18, 2016. Mr. Boden did not receive any additional fees above his fees as Chairman and a director of the Company. Information related to his fees and stock options is included with the directors of the Company below. Mr. Boden took on the role of interim Chief Financial Officer from Kathryn Johnson, until May 18, 2016, when Shannon M. Ross was appointed as Chief Financial Officer.
- (2) The value of option based awards is based on the difference between the exercise price of the stock options granted and the last closing price of the Company's shares on the TSX Venture Exchange at the end of the fiscal year of the date of the grant. Any negative amounts are listed as "-". The Company feels this methodology provides a more meaningful and reasonable estimate of fair value. The estimated value of the stock options using the Black Scholes option pricing model are: Luquman A. Shaheen (2018: 154,669; 2017: Nil; 2016: 127,536), Shannon M. Ross (2018: 77,334; 2017: Nil; 2016: 42,512), William J. Boden (2018: 92,801; 2017: Nil; 2016: 63,768), Christian G. Pilon (2018: 77,334; 2017: Nil; 2016: 51,014), Yves Barsimantov (2018: 92,801; 2017: Nil; 2016: 63,768), Luis Vela (2018: 92,801; 2017: Nil; 2016: 63,768).
- (3) Remuneration is made in United States Dollars and converted to Canadian Dollars for reporting on this table.
- (4) All amounts above are shown in Canadian Dollars and, if applicable, have been converted to Canadian Dollars at the exchange rate in effect when the payment was made.
- (5) This includes parking, group life, and other health benefits.

**Incentive Plan Awards**

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth the options granted to the Named Executive Officers to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) <sup>(1)</sup>
Luquman A. Shaheen	1,000,000	0.34	March 13, 2023	Nil
	1,500,000	0.20	November 10, 2021	52,500
Shannon M. Ross	500,000	0.34	March 13, 2023	Nil
	500,000	0.20	November 10, 2021	17,500

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) <sup>(1)</sup>
Christian G. Pilon	500,000	0.34	March 13, 2023	Nil
	600,000	0.20	November 10, 2021	21,000
Yves Barsimantov	600,000	0.34	March 13, 2023	Nil
	750,000	0.20	November 10, 2021	21,000
Luis Vela	600,000	0.34	March 13, 2023	Nil
	750,000	0.20	November 10, 2021	21,000

<sup>(1)</sup> The Value of Unexercised In-The-Money Options is based on the difference between the exercise price of the stock options granted and the last closing price of the Company's shares on the TSX Venture Exchange on December 31, 2018 (\$0.235). Any negative amounts are listed as "Nil".

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

There were no option-based awards, share-based awards and non-equity incentive plan compensation paid to Named Executive Officers during the most recently completed financial year.

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

Each Named Executive Officer, except Christian G. Pilon has entered into an employment agreement with the Company. Each agreement is for an indefinite term and provides for lump sum payments on termination of employment, except for the agreement of Mr. Pilon which is renewed each year. If a termination or a change in control had occurred on December 31, 2018, the incremental payments that would have become payable would be as follows:

NAME	TERMINATION (\$)	INCREMENTAL COMPENSATION ON CHANGE IN CONTROL (\$)
Luquman A. Shaheen	\$488,545	\$700,000
Yves Barsimantov	255,788 <sup>(1)</sup>	204,630 <sup>(1)</sup>
Luis Vela	204,630 <sup>(1)</sup>	204,630 <sup>(1)</sup>

<sup>(1)</sup> This was translated from US Dollars to Canadian Dollars at the December 31, 2018, rate of 1.3642.

### **Director Compensation**

#### ***Director Compensation Table***

The following table sets forth the value of all compensation provided to directors who were not Named Executive Officers for the Company's most recently completed financial year:

Name	Fees Earned (\$)	Option-based Awards <sup>(1)</sup> (\$)	All Other Compensation (\$)	Total (\$)
William J. Boden	39,625	92,801	-	132,426
Christiaan F. Staargaard	30,958	92,801	-	123,759
Lorne A. Torhjem	26,525	77,334	-	103,859
Anthony Laub	26,000	77,334	-	103,334
Ronald A. Hall	27,750	77,334	-	105,084
Augusto Baertl M.	26,000	77,334	-	103,334

<sup>(1)</sup> The estimated value of the stock options granted using the Black Scholes option pricing model (2018: \$0.15467).

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth the options granted to the directors of the Company, not including those directors who are also Named Executive Officers, to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year:

<b>Name</b>	<b>Option-based Awards - Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-the-money Options (\$)<sup>(1)</sup></b>
William J. Boden	600,000	0.34	March 13, 2023	Nil
	750,000	0.20	November 10, 2021	26,250
Christiaan F. Staargaard	600,000	0.34	March 13, 2023	Nil
	600,000	0.20	November 10, 2021	21,000
Lorne A. Torhjem	500,000	0.34	March 13, 2023	Nil
	600,000	0.20	November 10, 2021	21,000
Anthony Laub	500,000	0.34	March 13, 2023	Nil
	600,000	0.20	November 10, 2021	21,000
	300,000	0.30	July 22, 2019	Nil
Ronald A. Hall	500,000	0.34	March 13, 2023	Nil
	600,000	0.20	December 26, 2021	21,000
Augusto Baertl M.	500,000	0.34	March 13, 2023	Nil
	600,000	0.20	May 15, 2022	21,000

<sup>(1)</sup> The aggregate dollar value of the in-the-money unexercised vested options held at the end of the last financial year, based on the difference between the market value of the shares at the financial year end, and the exercise price. The market value at December 31, 2018, was \$0.235. This does not mean the options were exercised or that any shares were sold at these values.

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

There were no option-based awards and non-equity incentive plan compensation paid to the directors of the Company during the financial year ended December 31, 2018.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth certain information pertaining to the Company’s equity compensation plan as at the end of the most recently completed financial year:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a) (c))</b>
Equity compensation plans approved by securityholders	19,197,800 <sup>1(2)</sup>	\$0.28	19,197,800
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>TOTAL</b>	19,197,800	\$0.28	19,197,800

- (1) The Company has outstanding options to purchase additional Common Shares at the end of the most recently completed financial year.
- (2) Subsequent to the end of December 31, 2018, 2,950,000 stock options expired on February 14, 2019. As at the date hereof, there are 16,247,800 Common Shares which may be acquired pursuant to outstanding options.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

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

No Insider of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

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

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, of any person or company who has been: (a) if the solicitation is made by or on behalf of management of the Company, a director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) if the solicitation is made other than by or on behalf of management of the Company, any person or company by whom or on whose behalf, directly or indirectly, the solicitation is made; (c) any proposed nominee for election as a director of the Company; or (d) any associate or affiliate of any of the foregoing persons or companies.

### **MANAGEMENT CONTRACTS**

Management functions of the Company and its subsidiaries are substantially performed by the Company's directors and executive officers. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

### **CORPORATE GOVERNANCE**

#### **General**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board is comprised of eight directors, of whom each of Christiaan F. Staargaard, Anthony Laub, Ronald A. Hall, Augusto Baertl, William J. Boden and Lorne A. Torhjem are independent for the purposes of NI 58-101. Luquman Shaheen and Christian Pilon are not independent since they serve as the President and Chief Executive Officer and Senior Vice-President, South America, of the Company respectively.

### **Directorships**

Certain of the directors and proposed directors are also directors of other reporting issuers, as follows:

<b>Director</b>	<b>Other Reporting Issuers</b>
Luquman A. Shaheen	Lupaka Gold Corp.
Ronald A. Hall	Benz Mining Corporation
Augusto Baertl	Graña y Montero (NYSE) Alturas Minerals (TSXV)

### **Orientation and Continuing Education**

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

### **Ethical Business Conduct**

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

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the Annual General Meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation Governance**

The Compensation Committee is responsible for, among other things, evaluating the performance of the Company's executive officers, determining or making recommendations with respect to the compensation of the Company's executive officers, making recommendations with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations with respect to the compensation policy for the employees of the Company or its subsidiaries and ensuring that the Company is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The Compensation Committee is currently composed of William J. Boden, Lorne A. Torhjem, and Ronald Hall, who are all independent directors. All three of the members of the Compensation Committee are experienced participants in business or finance, and have sat on the board of directors of other companies, charities or business associations, in addition to the Board of the Company.

The recommendations of the Compensation Committee are based partly on a benchmarking analysis which compares the Company's pay levels and compensation practices with other reporting issuers of the same size as and which are active in the industry and/or market in which the Company competes for talent. This analysis provides valuable information that will allow the Company to make adjustments, if necessary, to attract and retain the best individuals to meet the Company's needs and provide value to the Company's shareholders. For further discussion, see "Executive Compensation – Compensation Discussion and Analysis" above.

The Compensation Committee has not engaged the services of independent compensation consultants to assist it by making recommendations to the Board with respect to director and executive officer compensation.

### **Other Board Committees**

The Board has formed a Technical Committee which is comprised of independent directors, Christiaan Staargaard, Augusto Baertl, and Ron Hall. Ron Hall is the Chair of the committee.

### **Assessments**

Due to the minimal size of the Company's Board of directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees ("NI 52-110") reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor. The Company provides the following disclosure with respect to its Audit Committee:

### **Audit Committee Charter**

#### **1. Purpose of the Committee**

1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

#### **2. Members of the Audit Committee**

2.1 At least one member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, 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.

2.2 The Audit Committee shall consist of no less than three Directors.

- 2.3 At least one member of the Audit Committee must be “independent” as defined under NI 52-110, while the Company is in the developmental stage of its business.

### **3. Relationship with External Auditors**

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

### **4. Non-Audit Services**

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
  - (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

### **5. Appointment of Auditors**

- 5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
- 5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

### **6. Evaluation of Auditors**

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

**7. Remuneration of the Auditors**

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

**8. Termination of the Auditors**

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

**9. Funding of Auditing and Consulting Services**

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

**10. Role and Responsibilities of the Internal Auditor**

10.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

**11. Oversight of Internal Controls**

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

**12. Continuous Disclosure Requirements**

12.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

**13. Other Auditing Matters**

13.1 The Audit Committee may meet with the Auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

**14. Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

## 15. Independent Advisers

- 15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

### Composition of Audit Committee

Following the election of directors pursuant to this Information Circular, the following will be members of the Audit Committee:

Anthony Laub	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Lorne Torhjelm	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
William J. Boden	Independent <sup>(1)(3)</sup>	Financially literate <sup>(2)</sup>

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Mr. Boden was independent as of May 18, 2016. Prior to that, he was the Interim Chief Financial Officer for the period to May 18, 2016. He is the Chairman of the audit committee.

Additional information regarding the Company's Audit Committee is contained in the Company Annual Information Form dated April 29, 2019 (the "AIF") under the heading "Audit Committee" and a copy of the Audit Committee Charter is attached as an Appendix to the AIF. The AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Exemption

As a TSX Venture Exchange listed issuer, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

## ADDITIONAL INFORMATION

Financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("MD&A") for the year ended December 31, 2018.

Under National Instrument 51-102, *Continuous Disclosure Obligations*, any person or company who wishes to receive financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Company. The Company will maintain a supplemental mailing list of persons or companies wishing to receive financial statements.

Shareholders may obtain copies of the Company's financial statements and related MD&A and AIF by contacting the Company at Suite 1610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8 or by telephone at (604) 684-4246. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**GENERAL**

Unless otherwise specified, all matters referred to herein for approval by the Shareholders require a simple majority of the Shareholders voting, in person or by proxy, at the Meeting. Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

DATED at Vancouver, British Columbia as of the 16th day of May, 2019.

BY THE ORDER OF THE BOARD OF DIRECTORS  
OF PANORO MINERALS LTD.

*s/ "Luquman A. Shaheen"*

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Luquman A. Shaheen,

President and Chief Executive Officer