

**Notice of
Annual and Special Meeting of Shareholders
& Management Information Circular**

OREZONE

TSXV: ORE

Dated May 24, 2018

**Orezone Gold Corporation
Suite 910 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6**

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OREZONE GOLD CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an Annual and Special Meeting (the “**Meeting**”) of the shareholders of Orezone Gold Corporation (the “**Company**”) will be held at the offices of Stikeman Elliott LLP, Montreal Boardroom, 53rd Floor Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 on Thursday June 28, 2018 at 4:30 p.m. EDT for the following purposes:

- (1) to receive the financial statements of the Company for the fiscal year ended December 31, 2017, together with the auditor’s report thereon;
- (2) to elect directors of the Company;
- (3) to appoint auditors for the fiscal year ending December 31, 2018 and to authorize the directors to fix their remuneration;
- (4) to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution, the full text of which is reproduced in Appendix “A” to the accompanying Management Information Circular approving, ratifying and confirming the Company’s 2016 stock option plan as detailed in the accompanying Management Information Circular and in Appendix “C” thereto, and any unallocated options or other entitlements thereunder; and
- (5) to transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

Accompanying this Notice of Meeting is a copy of the Management Information Circular and a form of proxy. The holders of common shares of the Company of record at the close of business on May 17, 2018 are entitled to receive notice of the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed form of proxy to the Company’s transfer agent, **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1** in the envelope provided for that purpose, or vote using the telephone or internet based on instructions provided in the enclosed form of proxy, no later than 5:00 p.m. EDT on Tuesday June 26, 2018 or, if the meeting is adjourned or postponed, no later than 5:00 p.m. EDT two business days preceding the date to which the Meeting is adjourned or postponed.

Please note that the Company is not utilizing the notice-and-access mechanism under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of the Management Information Circular and proxy forms to registered and beneficial shareholders.

In order to be represented by proxy, you must complete and submit the enclosed form of proxy or other appropriate form of proxy.

DATED at Vancouver, British Columbia, May 24, 2018.

BY ORDER OF THE BOARD OF DIRECTORS OF OREZONE GOLD CORPORATION

“Patrick Downey”

Patrick G. Downey
Director, President & Chief Executive Officer

**OREZONE GOLD CORPORATION
("Orezone" or the "Company")**

Suite 910 – 1111 Melville Street
Vancouver, British Columbia V6E 3V6

Tel: (778) 945-8977
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MANAGEMENT INFORMATION CIRCULAR

**For the Annual and Special Meeting of Shareholders to be held on June 28, 2018
(as at May 24, 2018, except as indicated)**

INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of the Company for use at the Annual and Special Meeting of the holders of common shares ("Shares") of the Company (the "Meeting") to be held at the offices of Stikeman Elliott LLP, Montreal Boardroom, 53rd Floor Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 on June 28, 2018 at 4:30 p.m. EDT and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment(s) or postponement(s) thereof. The solicitation of proxies is expected to be primarily by mail, but may be supplemented by telephone, internet or other personal contact by directors of the Company. The cost of solicitation of proxies will be borne directly by the Company.

Appointment of Proxies

If your intention is not to be present in person at the Meeting, you are asked to complete and return the enclosed form of proxy. The form of proxy must be dated and executed by a registered shareholder or the attorney of such shareholder, duly authorized in writing, and deposited with **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1** no later than 5:00 p.m. EDT on Tuesday, June 26, 2018 or, if the Meeting is adjourned or postponed, no later than 5:00 p.m. EDT two business days preceding the date to which the Meeting is adjourned or postponed, or to the Secretary of the Company or Chairman of the Meeting at the time and place of the Meeting.

The persons designated in the form of proxy are directors or officers of the Company. **Each shareholder has the right to appoint a person to represent such shareholder at the Meeting, other than the persons designated in the form of proxy. A registered shareholder desiring to appoint some other person to represent such shareholder at the Meeting may do so by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the form of proxy or by submitting another appropriate form of proxy. A person acting as proxy need not be a shareholder of the Company.**

Revocation of Proxies

A registered shareholder giving a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (i) by delivering another properly executed proxy bearing a later date to **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1** no later than 5:00 p.m. EDT on Wednesday, June 27, 2018 or, if the Meeting is adjourned or postponed, no later than 5:00 p.m. EDT on the last business day preceding the date to which the Meeting is adjourned or postponed, or to the Secretary of

the Company or Chairman of the Meeting at the time and place of the Meeting; or (ii) by depositing, either with Computershare Investor Services Inc. (the “**Transfer Agent**”) at the above mentioned address prior to the day of the Meeting or any adjournments or postponements thereof, or with the Secretary of the Company or Chairman of the Meeting at the time and place of the Meeting, or any adjournments or postponements thereof, an instrument in writing revoking the proxy and executed by the registered shareholder or by his attorney, duly authorized in writing. If the registered shareholder is a corporation, the instrument must be executed by a duly authorized officer under its corporate seal or accompanied by a corporate resolution authorizing the signature.

Voting of Shares Represented By Proxies

If the enclosed form of proxy is properly completed and submitted in favour of the persons designated in the printed portion thereof, the shares represented by such form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder and where the person whose proxy is solicited specifies a choice with respect to any matter identified therein, the shares shall be voted in accordance with the specification so made. **Where shareholders have not specified in the form of proxy the manner in which the designated proxy holders are required to vote the shares represented thereby as to any matter to be voted on, such shares will be voted on any ballot that may be called for in favour of such matter.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to matters other than those identified in the Notice of Meeting, which may properly come before the Meeting. As of the date hereof, the management of the Company is not aware that any such amendments, variations, or other matters are to be presented for action at the Meeting. **If any matters which are not now known to the management of the Company should properly come before the Meeting, then on any ballot that may be called for, the persons appointed as proxy will vote on such matters in a manner as such persons consider to be proper.**

Advice to Beneficial Shareholders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either (a) in the name of an intermediary that the Non-Registered 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 registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, Orezone will be distributing copies of the Notice of Meeting, this Circular, and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and intermediaries for onward distribution to Non-Registered Holders. Orezone will pay for the cost of intermediaries to deliver the Meeting Materials to Non-Registered Holders who have objected to intermediaries disclosing their beneficial ownership information. Neither Orezone nor any of its subsidiaries will reimburse shareholders, nominees or agents for the costs incurred in obtaining authorization to execute forms of proxy from their principals or beneficial owners.

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

- (i) 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 Non-Registered 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 Non-Registered

Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Transfer Agent as set out above; or

- (ii) more typically, be given a form which, when properly completed and signed by the Non-Registered Holder and returned to the intermediary or its service company, will constitute voting instructions (often called a "voting information form") which the intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives the form of proxy or voting instruction form wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder's name in the blank space provided or following the instructions in the voting instruction form. In either case, Non-Registered Holders should carefully follow the instructions of their intermediary, including those regarding when and where the form of proxy or proxy authorization form is to be delivered.

If you receive either a proxy or a voting instruction form and wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you should strike out the names of the persons named in the proxy and insert yours (or such other person's name) in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, please carefully follow the instructions of your broker, nominee or other service company.**

Record Date

The Company has set May 17, 2018 as the record date for notice of the Meeting and for voting. Only shareholders of record as at that date are entitled to receive notice of and vote at the Meeting, subject to the provisions of the *Canada Business Corporations Act*. Nevertheless, failure to receive the notice does not revoke the shareholder's right to vote at the Meeting.

Authorized Capital, Voting Shares and Principal Holders

The authorized capital of the Company consists of an unlimited number of common shares ("**Shares**"), of which 210,385,364 Shares are issued and outstanding as at the date hereof. Each issued and outstanding Share is entitled to one vote. Only persons who are shareholders of record at 4:00 p.m. EDT on May 17, 2018 will be entitled to attend and vote at the Meeting, in person or by proxy.

As at the date hereof, to the knowledge of the management and directors of the Company, no persons or companies individually beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the voting rights attached to all outstanding Shares other than:

Person or Company	Number of Shares Owned, or Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Resource Capital Fund VII LP	42,056,250	19.99%
Sun Valley Gold LLC	24,746,246	11.76%
Mason Hill Advisors LLC	24,707,775	11.74%

Financial Statements

The audited financial statements of the Company as at and for the fiscal year ended December 31, 2017, and the accompanying management's discussion and analysis ("**MD&A**"), were filed on SEDAR on April 5, 2018. **The form of proxy includes an election to continue to receive the interim and/or annual financial statements and MD&A for 2018 and subsequent fiscal years.**

ANNUAL BUSINESS OF THE MEETING

General Information

Information contained in this Circular is as of May 24, 2018 unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars ("**CAD**"), unless otherwise specified. The exchange rate as at December 31, 2017 was CAD\$1.00 = US\$0.7971.

Presentation of Financial Statements

The audited financial statements of the Company as at and for the fiscal year ended December 31, 2017, together with the auditors' report thereon will be placed before the shareholders of the Company. Copies of such statements are available on SEDAR at www.sedar.com and will also be made available at the Meeting.

Election of the Directors

The articles of the Company provide for a minimum of three and a maximum of ten directors. The Corporate Governance, Compensation and Nomination Committee reviewed the list of nominees for directors for the upcoming year and recommended that the board of directors of the Company (the "**Board of Directors**") approve the nominees. The Board of Directors passed a resolution to approve the list of nominees and fixed the number of directors to be elected at the Meeting at eight. The persons designated in the enclosed form of proxy intend to vote for the election, as directors of the Company, of the nominees whose names are set forth below. Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy have the authority to vote for another nominee at their discretion. Each director elected will hold office until the next annual general meeting or until a successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Company.

Unless such authority is withheld, the persons named in the accompanying proxy will vote **FOR** the election of the nominees whose names are set forth below.

Majority Voting Policy

The Board of Directors has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" his election as a director will tender his resignation to the Board of Directors promptly following the shareholders' meeting. The Corporate Governance, Compensation and Nomination Committee will consider the offer of resignation and will make a recommendation to the Board of Directors on whether to accept it. The Board of Directors will make its final decision and announce this decision in a press release within ninety days following the Meeting. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board of Directors or the Corporate Governance, Compensation and Nomination Committee at which the resignation is considered.

Director Nominees

The following table sets forth the names of the nominees, province and country of residence, their respective principal occupation, the date they became a director and the number of shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof based upon information furnished by the person concerned and is as of the date of this Circular.

Name, Office Held and Residence	Director Since	Shares Beneficially Owned, Directly or Indirectly or Shares Over Which Control is Exercised	Number of Options to Purchase Common Shares of the Company Held	Principal Occupation
Patrick Downey ⁽¹⁾ President, Chief Executive Officer and Director North Vancouver, British Columbia, Canada	April 5, 2011	1,590,700	1,925,000	President and Chief Executive Officer of the Company
Michael Halvorson ⁽³⁾⁽⁴⁾ Director Edmonton, Alberta, Canada	February 24, 2009	3,304,518	1,175,000	President of Halcorp Capital Ltd. (private investment corporation)
Ronald Batt ⁽²⁾⁽⁵⁾ Director, Ottawa, Ontario, Canada	May 23, 2013	400,000	975,000	Retired Senior Partner of Ernst & Young LLP
Joseph Conway ⁽³⁾⁽⁶⁾ Director, Toronto, Ontario, Canada	October 13, 2014	633,333	675,000	Retired Executive Primero Mining Corporation
Charles Oliver ⁽²⁾⁽⁷⁾ Director, Toronto, Ontario, Canada	July 17, 2017	100,000	300,000	Retired Portfolio Manager of Sprott Asset Management
Stephen Axcell Nominee, Littleton, Colorado, USA	--	--	--	Corporate Director
Kate Harcourt Nominee, London, United Kingdom	--	--	--	Independent Environmental and Social Advisor
Marco LoCascio Nominee, New York, NY, USA	--	--	--	Portfolio Manager, Mason Hill Advisors

- (1) President and Chief Executive Officer as of May 22, 2017
- (2) Member of the Audit Committee
- (3) Member of the Corporate Governance, Compensation and Nomination Committee
- (4) Chair of the Corporate Governance, Compensation and Nomination Committee
- (5) Chair of the Audit Committee
- (6) Mr. Conway joined the Corporate Governance, Compensation and Nomination Committee on April 6, 2017 replacing Mr. Downey
- (7) Mr. Oliver joined the Audit Committee on August 16, 2017 replacing Mr. Downey.

Patrick Downey has over 30 years of international experience in the resource industry. Mr. Downey held the position of President, Chief Executive Officer and Director for Elgin Mining Inc. prior to its acquisition by Mandalay Resources Inc., Aura Minerals Inc. and Viceroy Exploration Ltd. before its acquisition by Yamana Gold Inc. in 2006 for \$600 million. Mr. Downey also served as President of Consolidated Trillion Resources Ltd. and Oliver Gold Corporation, where he negotiated their successful merger to form Canico Resource Corp., which was purchased by CVRD in 2006 for over \$800 million. He has held numerous senior engineering positions at several large-scale gold mining operations and has also held operating positions at several mining projects for Anglo American Corporation in South Africa. Mr. Downey holds a Bachelor of Science (Honours) degree in Engineering from Queen's University in Belfast, Ireland.

Michael Halvorson has been involved in various aspects of the securities industry since 1967. Since 1980, he has been the President of Halcorp Capital Ltd., a private investment corporation. Notable past directorships include Novus Energy Inc., Gentry Resources Ltd., Western Silver Inc., Fission Energy Corporation, Strathmore Minerals Corporation, Viceroy Exploration Ltd., Esperanza Resources Corp. and Pediment Gold Corporation.

Ronald Batt is a Chartered Professional Accountant and a retired Senior Partner with Ernst & Young LLP. Mr. Batt has over 35 years of public accounting experience and for a number of years, managed Ernst & Young's Ottawa tax practice of over 50 professionals. He has advised many of the largest Ottawa based public companies. Mr. Batt has extensive experience in cross border tax issues, international structures, mergers and acquisitions and other corporate reorganizations. He has advised companies on establishing and implementing the appropriate controls over financial reporting to comply with the rules established by the Canadian and US securities commissions. He has also served on the Board of Directors of several associations and organizations.

Joseph Conway has more than 30 years of mining and financial services industry experience. Mr. Conway retired from his position as interim President and CEO of Primero Mining Corporation effective May 10, 2018. Previously he was President and CEO of Primero from August 2010 to February 2016. Prior to 2010, he was the President and CEO of IAMGOLD Corporation, having grown it from a \$50 million joint venture company to a \$6 billion leading intermediate gold producer. From September 1995 to January 2003, Mr. Conway was President, CEO and Director of Repadre Capital Corporation. Mr. Conway has a B.Sc. from Memorial University of Newfoundland (1981), and an MBA from Dalhousie University (1987). He was a mine and exploration geologist from 1981 to 1985. After completing his MBA in 1987, he joined Walwyn Stodgell Cochran and Murray as a stock analyst from 1987 to 1989. From 1989 to 1995, he was a Vice President and Director with Nesbitt Burns, a Canadian investment dealer.

Charles Oliver has over 30 years experience as an award-winning fund manager. He retired from Sprott Asset Management in 2015 as Lead Portfolio Manager of the Gold and Precious Metals Fund. Prior to that in 2008, Mr. Oliver was at AGF Funds where he was Senior Vice President and Lead Portfolio Manager of a team that managed over \$4 billion in several funds, including their Precious Metals Funds. He is currently on the board of Klondex Mines and Cabral Gold and was a board member with Integra Gold before it was acquired by Eldorado. Mr. Oliver holds a CFA and HB. Sc. in Geology.

Marco LoCascio is a portfolio manager at Mason Hill Advisors focusing on precious metals equities. He has spent 11 years with the firm as an analyst and portfolio manager. Mason Hill Advisors is a global, value-oriented investment manager based in New York. Marco received his B.A. in Economics from Amherst College.

Stephen Axcell has over 37 years of experience in mining operations management, project management execution, process plant design and construction management. He served as a Senior Vice President for Jacobs, a large professional services company focused on engineering and construction. His experience includes management of large and small projects, complex process facilities in both green-fields and retrofit (brown fields) with projects in Asia, Africa, USA, Canada, South America, Europe and the Middle East. Prior to rejoining Jacobs in 2012 he worked for the Debswana Diamond Company in Botswana, Africa from 2007 to 2012 as head of projects and Deputy Managing Director managing a large multi-billion-dollar capital project portfolio with responsibility for all technical functions within the company. From 1999 to 2007 Mr.

Axcell held several senior positions with Jacobs. Mr. Axcell holds a Bachelor of Science degree in Engineering Minerals Processing and a Business Management Diploma from the University of Witwatersrand.

Kate Harcourt is a sustainability professional with over 27 years of experience, principally in the mining industry. Ms. Harcourt has worked with a number of mining companies and on behalf of Equator Principles signatory financial institutions and has performed a number of consultancy assignments for International Finance Corporation. Ms. Harcourt received a BSc Hons, Environmental Science, from Sheffield University and a MSc Environmental Technology, from Imperial College, London, and is a Chartered Environmentalist (CEnv) and a Member of the Institution of Environmental Scientists. Ms. Harcourt is a non-executive director of Condor Gold plc and Roxgold.

Other than Mr. Axcell and Ms. Harcourt, who are Director nominees of Resource Capital Fund VII LP (“**RCF**”) pursuant to an investor rights agreement (the “**Investor Rights Agreement**”) entered into by the Company and RCF in connection with the April 2018 private placement under which RCF has, among other rights, the right to designate two nominees to the Board of Directors so long as RCF owns 19.0% or greater of the outstanding shares, no proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the Directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trading Orders or Bankruptcies

To the knowledge of the Company, none of the proposed nominees for election as directors of the Company and no executive officer of the Company is, as of the date hereof, or has been within the ten years prior to the date hereof, a director or executive officer of any company (including the Company), that while that person was acting in that capacity:

- was the subject of a cease trade 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;
- was the subject of a cease trade 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, that was issued after the proposed director ceased to be a director or executive officer in the company being the subject to such an order and which resulted from an event that occurred while the person was acting in the capacity as director or executive officer;
- was, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within 10 years before the date hereof, 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.

Penalties or Sanctions

To the knowledge of the Company, none of the proposed nominees for election as directors of the Company and no executive officer of the Company has:

- been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Personal Bankruptcies

To the knowledge of the Company, none of the proposed nominees for election as directors of the Company and no executive officer of the Company, or a personal holding company of any such persons has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Appointment of Auditors

Management of the Company proposes that Deloitte LLP (“**Deloitte**”) be appointed as auditors of the Company until the close of the next annual general meeting of shareholders, and that the directors be authorized to fix their remuneration. Deloitte was initially appointed as auditors of the Company for the fiscal year ended December 31, 2009.

Unless such authority is withheld, the persons named in the accompanying proxy will vote FOR the appointment of Deloitte as auditors of the Company, and FOR authorizing the Board of Directors to fix their remuneration. Deloitte will hold office until the close of the next annual general meeting of shareholders or until their successors are appointed.

Audit Committee and Relationship with Auditor

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Company’s Audit Committee has various responsibilities as set forth in NI 52-110, among such responsibilities being a requirement that the audit committee establish a written charter that set out its mandate and responsibilities.

The Audit Committee’s Charter

The Company’s Audit Committee Charter was adopted by the Board of Directors and is attached as Appendix B.

Composition of the Audit Committee

For the fiscal year ended December 31, 2017, the Audit Committee was comprised of Mr. Ronald Batt (Chairman), Mr. Keith Peck and Mr. Charles Oliver who joined the Committee on August 16, 2017 replacing Mr. Downey who was appointed President and Chief Executive Officer on May 22, 2017. Mr. Peck is not standing for re-election as a director at the Meeting and following the Meeting the Board of Directors will appoint a replacement for Mr. Peck on the Audit Committee.

The mandate of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities with respect to ensuring the quality and integrity of:

- (i) financial reports and other financial information provided by the Company to regulatory authorities and shareholders;
- (ii) the Company’s systems of internal controls regarding finance and accounting;
- (iii) the Company’s auditing, accounting and financial reporting processes;

- (iv) the Company's compliance with legal and regulatory requirements; and
- (v) the Company's compliance with corporate policies and procedures.

The roles and responsibilities of the Audit Committee include but are not limited to:

- (i) review the Company's Annual and Interim Financial Statements, the Annual and Interim Management Discussion and Analysis, and Annual Information Form prior to public disclosure;
- (ii) recommend the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors; and
- (iii) review annually the performance and independence of the external auditors.

The Audit Committee members, all of whom are independent directors, hold four (4) regularly scheduled meetings throughout the year. Additional Audit Committee meetings with representatives of the Company's management are held on an ad hoc basis if required during the year. As a minimum, representatives of Deloitte, the Company's current auditors, attend the year end meeting.

The following table identifies the members of the Audit Committee as at the date hereof and whether they are independent and financially literate as defined by NI 52-110:

Audit Committee Member	Independence Status	Financial Literacy
Ronald Batt	Independent	Financially Literate
Keith Peck ⁽¹⁾	Independent	Financially Literate
Charles Oliver	Independent	Financially Literate

- (1) Mr. Peck is not standing for re-election as a director at the Meeting and following the Meeting the Board of Directors will appoint a replacement for Mr. Peck on the Audit Committee.

Relevant Education and Experience

For information on the education and experience of the members of the audit committee, please see details under the heading of "Director Nominees" referred to herein.

External Auditor Service Fees

The aggregate fees billed in respect of the last two fiscal years to the Company by Deloitte, its external auditors, for audit and other fees are as follows:

Year Ended	Audit Fees ^{(1), (2)}	Audit related fees	Tax Fees	All Other Fees	Total Fees
December 31, 2017	\$78,966	--	--	--	\$78,966
December 31, 2016	\$85,600	--	--	\$30,923 ⁽³⁾	\$116,523

- (1) Audit Fees include the aggregate professional fees paid to Deloitte for the audit of the annual consolidated financial statements and other regulatory audits and filings.
- (2) Includes the standard administration fee on all services provided.
- (3) Relates to work done on the prospectus financing that was completed in July 2016.

Pre-Approval Policies and Procedures

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The Audit Committee considers whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the

provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a “venture issuer”, is not required to comply with Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE PRACTICES

The following provides information with respect to the Company’s compliance with the corporate governance requirements of the Canadian Securities Administrators set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

As of May 24, 2018, the Board of Directors is currently composed of six (6) directors. The term of office of each of the present directors expires at the meeting. Each director elected holds office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company.

Director Independence

The Board considers a director to be independent if the director meets the definition of the independence set forth in NI 52-110 and if the director has no direct or indirect material relationship with the Company which, in the view of the Board of Directors, could reasonably be perceived to materially interfere with the exercise of the director’s independent judgement.

As outlined in the table below five (5) current directors are deemed to be independent and one (1) director is deemed not to be independent.

Director	Independence Status	Basis for determination of independence status
Patrick Downey	Not independent	Holds the position of President and Chief Executive Officer of the Company and therefore does not meet the definition set forth in NI 52-110
Keith Peck ¹	Independent	No direct or indirect material relationship with the Company and therefore meets the definition set forth in NI 52-110
Michael Halvorson	Independent	No direct or indirect material relationship with the Company and therefore meets the definition set forth in NI 52-110
Ronald Batt	Independent	No direct or indirect material relationship with the Company and therefore meets the definition set forth in NI 52-110
Joseph Conway	Independent	No direct or indirect material relationship with the Company and therefore meets the definition set forth in NI 52-110
Charles Oliver	Independent	No direct or indirect material relationship with the Company and therefore meets the definition set forth in NI 52-110

(1) Mr. Peck is not standing for re-election as a director at the Meeting.

The Board of Directors facilitates its independent supervision over management of the Company by holding periodic meetings of the Board of Directors to approve various appropriate matters and discuss the business and operations of the Company. The Board of Directors has free access to the Company's external auditor and to any of the Company's officers. Directors are expected to attend board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Other Directorships

In addition to their positions on the Board of Directors, as of May 24, 2018 the following directors also serve as directors to the following reporting issuers:

Director	Position	Reporting Issuer
Patrick Downey	Director	Victoria Gold Corp. (TSXV: VIT) Dalradian Resources Inc. (TSX: DNA) Pan Global Resources Inc. (TSXV: PGZ) GFG Resources Inc. (TSXV: GFG)
Keith Peck ⁽¹⁾	Director	Bluestone Resources Inc. (TSXV: BSR)
Joseph Conway	Director	Compass Gold Corporation (TSXV: CVB)
Charles Oliver	Director	Klondex Mines Ltd. (TSX: KDX) Cabral Gold Ltd. (TSXV: CBR)

(1) Mr. Peck is not standing for re-election as a director at the Meeting.

Board Mandate

The Directors primary responsibilities are the development of policies and procedures by which the business and affairs of the Company are managed, and the supervision of management with respect to the implementation and adoption of those policies and procedures. Directors are guided by applicable corporate laws, by Canadian regulatory requirements, and by the duties and responsibilities agreed to and approved by the Board of Directors and are accountable to shareholders of the Company. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

Orientation and Continuing Education

The Board of Directors does not have formal policies with respect to the orientation and continuing education of directors. New directors are provided with information about the duties and obligations of directors, the business and operations of the Company, technical documentation and material from recent Board of Directors meetings. There are also opportunities for new and current directors to meet and have discussions with senior management in order to better understand the Company's business.

In addition, management of the Company takes steps to ensure that its directors and officers are regularly updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules

and policies and is on the mailing list of the TSX Venture Exchange (the “**TSXV**”) to receive updates of any of those policies. Any such changes or new requirements are then brought to the attention of the Company’s directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Company’s Code of Business Conduct and Ethics & Anti-Corruption Policy can be viewed on the Company’s website or a copy can be obtained by contacting the Company. Each employee is provided a copy of the Code of Business Conduct and Ethics & Anti-Corruption Policy and must read and sign the document. The Board of Directors encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Company conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct. The Company has also instituted a “whistleblower” program whereby infractions can be reported to the Chair of the Audit Committee. This policy has been distributed to employees and can be viewed on the Company’s website.

Any director or officer that has a material interest in a transaction or agreement that is being considered by the Company is required to declare a conflict of interest and is excluded from voting and from the decision making process with respect to that issue.

Nomination of Directors

The Corporate Governance, Compensation and Nomination Committee is responsible for recruiting and reviewing potential nominees for directors of the Company to ensure appropriate skill and experience levels. The Committee provides its recommendation to the Board of Directors and the Board of Directors as a whole, which currently consists of five independent directors and one non-independent director, reviews and, if found acceptable, approves the recommendation.

The Committee assesses potential Board of Directors candidates to fill perceived needs on the Board of Directors for required skills, expertise, independence and other factors. Members of the Board of Directors and representatives of the mining industry are consulted for possible candidates.

Corporate Governance, Compensation and Nomination Committee

The Company’s Corporate Governance, Compensation and Nomination Committee (the “**CGCN Committee**”) consists of Mr. Halvorson (Chair), Mr. Peck and Mr. Conway. On April 6, 2017 Mr. Conway, an independent director, joined the committee replacing Mr. Downey who became the Executive Chairman on February 1, 2017 and was subsequently appointed President and Chief Executive Officer of the Company on May 22, 2017. Mr. Peck will not be standing for re-election at the Meeting and the Board of Directors will appoint a replacement for Mr. Peck to the Committee following the Meeting.

A primary function of the CGCN Committee is to assist the Board of Directors in determining the appropriate level of compensation to pay the Chief Executive Officer, Chief Financial Officer, other executive officers and directors. The CGCN Committee recommends to the Board of Directors what it judges is the appropriate compensation based primarily on a comparison of the remuneration paid by the Company with the remuneration paid by other similar stage public companies that are active in the precious and base metals sector. In January 2017, the CGCN Committee engaged Lane Caputo Compensation Inc. (“**Lane Caputo**”), a compensation consulting firm, to provide an independent, third party analysis of the compensation levels and practices for the company’s senior executive team as well as the compensation for the Board of Directors.

The CGCN Committee is also responsible for monitoring the Company’s Code of Business Conduct and Ethics & Anti-Corruption Policy, and Board Mandate, for reviewing the Board of Directors’ performance and related party transactions, and for engaging outside consultants when deemed necessary.

The Board of Directors held nine meetings and used unanimous written directors' resolutions six times in 2017. In addition, throughout the year, a number of informal discussions were held between management and the Board of Directors and between board members themselves. Below are details regarding director attendance at Board of Directors and committee meetings held during the year ended December 31, 2017.

Director	Board Meetings	Audit Committee Meetings	Corporate Governance, Compensation and Nomination Committee Meetings
Patrick Downey ⁽¹⁾	9 of 9	3 of 3	1 of 1
Keith Peck ⁽²⁾	9 of 9	4 of 4	2 of 2
Michael Halvorson	9 of 9	--	2 of 2
Ronald Batt	9 of 9	4 of 4	--
Joseph Conway ⁽³⁾	7 of 9	--	1 of 1
Charles Oliver ⁽⁴⁾	4 of 4	1 of 1	--

- (1) Mr. Downey was appointment Executive Chairman on February 1, 2017 and was subsequently appointed President and Chief Executive Office on May 22, 2017 and as a result ceased to be a member of the Corporate Governance, Compensation and Nomination Committee on April 6, 2017 and the Audit Committee on August 16, 2017.
- (2) Mr. Peck is not standing for re-election at the Meeting.
- (3) Mr. Conway joined the Corporate Governance, Compensation and Nomination Committee on April 6, 2017.
- (4) Mr. Oliver joined the Board on July 17, 2017 and was appointed to the Audit Committee on August 16, 2017.

Assessments

The Board of Directors, its committees and its individual directors are assessed regularly, and at a minimum on an annual basis as to their effectiveness and contribution. The Board of Directors, with the assistance of the CGCN Committee, monitors, assesses and reviews the performance and effectiveness of the Board of Directors and its individual directors. Assessments are determined by examining a number of factors, including attendance at and participation at meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board of Directors performance.

SPECIAL BUSINESS OF THE MEETING

Company's Option Plan Approval

Pursuant to Policy 4.4 of the Corporate Finance Manual of the TSXV (the "Option Policy"), the Company is permitted to maintain a "rolling" stock option plan (the "2016 Plan") which reserves a percentage of the issued and outstanding shares of the Company for issuance under the 2016 Plan. The 2016 Plan was previously approved by shareholders of the Company at a meeting duly held on June 21, 2017. In accordance with the Option Policy, rolling stock option plans must be approved by the shareholders on an annual basis. The Company also maintains the 2009 Stock Option Plan (the "2009 Plan"), which was adopted when the Company was listed on the TSX. No new stock options can be granted under the 2009 Plan. As of the date

of this Circular there were 5,012,500 options granted and outstanding under the 2009 Plan. Pursuant to the 2016 Plan and the Option Policy, the number of shares reserved for issuance under the 2009 Plan and the 2016 Plan combined shall not exceed 10% of the Company's issued and outstanding common shares on a non-diluted basis. At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, to approve, with or without variation, an ordinary resolution (the "**Option Resolution**"), the full text of which is reproduced in Appendix "A" to this Circular, approving and confirming the Company's 2016 Plan, and any unallocated options thereunder.

The purpose of the 2016 Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. Options granted under the 2016 Plan are non-assignable and may be granted for a term not exceeding ten years. A summary of the material terms of the 2016 Plan follows:

- a) the 2016 Plan is administered by the Company's Board of Directors, or if the Board of Directors so designates, a Committee of the Board of Directors appointed in accordance with the 2016 Plan to administer the 2016 Plan;
- b) the maximum number of shares which may be issued under options granted under the 2016 Plan at any given time, together with the shares reserved for issuance under all other stock option plans of the Company, is equivalent to 10% of the issued and outstanding shares of the Company at that time;
- c) options shall be granted only to directors, employees or consultants of the Company ("**Eligible Participants**") or to a registered retirement savings plan established and controlled by an Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant;
- d) options may not be granted at prices that are less than the Discounted Market Price as defined in the TSXV policies which, subject to certain exceptions, generally means the most recent closing price of the Company's shares on the TSXV before the date of grant, less a discount ranging from 15% to 25%, depending on the trading value of the Company's shares;
- e) Subject to the Board of Directors' discretion, if any Eligible Participant ceases to be an Eligible Participant, for any reason, other than for cause or death, he or she may exercise any option issued under the 2016 Plan that is then exercisable, but only within the period that is 30 days from the date he or she ceases to be an Eligible Participant;
- f) options granted under the 2016 Plan shall not be granted for a term exceeding ten years' subject to the extension for blackout periods;
- g) an option granted under the 2016 Plan will terminate on the earlier of one year following the death of the optionee and the option's regular expiry date; the Board of Directors may extend the period of time within which an option held by an Eligible Participant who has ceased to be an Eligible Participant may be exercised, but such extension shall not be granted beyond the original expiry date of the option;
- h) no one person may receive options representing more than 5% of the issued and outstanding Shares in any 12-month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the issued and outstanding Shares in any 12 month period;
- i) the Board of Directors has the authority to amend the terms of the 2016 Plan, subject to the approval of the TSXV and, if required, the approval of the shareholders of the Company;

- j) in the event of a take-over bid the Board of Directors will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedule so that despite the other terms of the 2016 Plan, any options granted under the 2016 Plan may be exercised in whole or in part by Eligible Participants so as to permit Eligible Participants to tender the shares received upon the exercise of options pursuant to the offer; and
- k) in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

The approval of the shareholders is required in order to approve and confirm the Company's 2016 Plan. To be adopted, the Option Resolution needs to be approved by a majority of the votes cast at the Meeting by proxy or in person. The Board of Directors recommends that shareholders vote in favour of the Option Resolution.

If you do not specify how you want your shares voted, the persons named in the accompanying proxy will vote FOR the adoption of the Option Resolution authorizing the approval and confirmation to the Company's 2016 Plan.

OTHER BUSINESS OF THE MEETING

Management is not aware of any amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting, other than those mentioned in said Notice. If, however, any other matters properly came before the Meeting, the persons designated in the accompanying form of proxy shall vote on such matters in accordance with their best judgment under the discretionary authority conferred on them by the proxy with respect to such matters.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Definitions

For the purpose of this section:

"Chief Executive Officer" or **"CEO"** means each individual who served as Chief Executive Officer or acted in a similar capacity during the most recently completed fiscal year;

"Chairman" of the Company means the individual who served as chairman of the Corporation during the most recently completed fiscal year;

"Chief Financial Officer" or **"CFO"** means each individual who served as Chief Financial Officer or acted in a similar capacity during the most recently completed fiscal year;

"Executive Officer" means, with respect to the Company, including any of its subsidiaries, an individual who is:

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including, sales, finance or production, or
- (c) performing a policy-making function in respect of the Company or a subsidiary;

"Named Executive Officers" or **"NEOs"** means the following individuals:

- (a) each CEO;
- (b) each CFO;
- (c) each of the three most highly compensated Executive Officers at the end of the most recently completed fiscal year, other than the CEO and CFO, who served as Executive Officers and whose

- total compensation exceeded CAD \$150,000 in the most recently completed fiscal year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an Executive Officer at the end of the most recently completed fiscal year-end.

“**Closing market price**” is defined as the price at which the company's security was last sold, on the applicable date, in the security's principal marketplace in Canada;

“**Options**” includes all options, share purchase warrants and rights granted by the Company or subsidiary of the Company as compensation for employment services or office. An extension of an option or replacement grant is a grant of a new option. Also, options include any grants made to a NEO by a third party or a non-subsidiary affiliate in respect of services provided to the Company or a subsidiary of the Company;

“**Plan**” includes, but is not limited to, any arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, restrictions on resale, performance units and performance shares, or similar instruments may be received or purchased. It excludes the Canada Pension Plan, similar government Plans and group life, health, hospitalization, medical reimbursement and relocation plans that are available generally to all salaried employees (for example) and do not discriminate in scope, terms or operation in favour of NEOs or directors.

CGCN Committee Composition and Process

The CGCN Committee reviews the Company's executive compensation and stock option policies and the compensation paid to the Chief Executive Officer and other Executive Officers of the Company. The CGCN Committee reports to the Board of Directors in its entirety for final approval. The CGCN Committee also reviews the design and competitiveness of the Company's compensation, stock option and benefit programs generally.

The compensation of Executive Officers is composed of three main elements: base salary, potential bonuses and equity participation through the allocation of incentive stock options. The CGCN Committee establishes the levels of remuneration taking into consideration the level of expertise of the Executive Officer, length of service to the Company, responsibilities related to the position, individual's performance and salaries paid for similar executive positions of other companies of comparable size and at a similar stage of development. The CGCN Committee considers implications of the risks associated with the Company's compensation policies and practices as part of its responsibilities to establish and review the compensation policies and practices of the Company. **The CGCN Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company.**

The Company's executive compensation program and stock options are administered by the CGCN Committee, made up of independent members of the Board of Directors. The members of the CGCN Committee for 2017 included Mr. Halvorson, Mr. Peck, and Mr. Conway, who on April 6, 2017, joined the CGCN Committee replacing Mr. Downey (who became the Executive Chairman on February 1, 2017 and was subsequently appointed President and Chief Executive Officer of the Company on May 22, 2017). Mr. Peck is not standing for re-election as a director at the Meeting and the Board will appoint a replacement for Mr. Peck on the Committee following the Meeting. Each member of the CGCN Committee has been in a senior leadership position in various organizations, and in those capacities obtained direct experience relevant to executive compensation and have the skills and experience that enable the CGCN Committee to make decisions on the suitability of the Company's compensation policies and practices.

The CGCN Committee meets at least once per year, or more frequently as required. The Chairman of the CGCN Committee reports to the Board of Directors on the CGCN Committee's operations at regularly scheduled Board of Directors meetings. The CGCN Committee also reviews and approves the executive compensation disclosure included in the management information circular. The CGCN Committee is granted open access to information about the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees are directed to cooperate as requested by its members.

Compensation Objectives and Goals

Objective of Compensation Program

The Company's compensation program is designed to attract, retain and motivate highly qualified Executive Officers, while at the same time promoting an alignment of interests between such Executive Officers and the Company's shareholders.

The Company is an exploration stage mining company and as such will not be generating revenues from operations for a period of time. As a result, the use of traditional performance standards, such as revenue and corporate profitability, are not currently considered by the CGCN Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Company's business plans.

In early 2017, the Board of Directors engaged Lane Caputo to provide an independent, third party analysis of the compensation levels and practices for the Company's executive team including the compensation for the Board of Directors. Lane Caputo was engaged to provide an assessment of the compensation levels the Company had in place in comparison to its peer group in order to reflect the continued transition of the Company as it evolves from an exploration and evaluation stage company towards a development and operating Company. The assessment resulted in adjustments for 2017.

Elements of Compensation Program

The Company's compensation program is comprised of base salary, annual incentive compensation and stock option awards. The CGCN Committee reviews each component of compensation for each officer and makes compensation recommendations to the Board of Directors. In evaluating each Executive Officer, the CGCN Committee considers among other things, the recommendations of the CEO. The Board of Directors reviews the recommendations and has complete discretion over the final amount and composition of each Executive Officer's compensation.

Comparator Group

Standard compensation methodology involves benchmarking compensation practices against a group of companies of similar size with relevant operations in the same regional geography. The resulting peer group then represents a realistic market against which to define the Company's compensation strategy.

The comparator group used in the 2017 review completed by Lane Caputo included the following companies:

- ATAC Resources Ltd.
- Chesapeake Gold Corp.
- Corvus Gold Inc.
- Gabriel Resources Ltd.
- Midas Gold Corp.
- Nighthawk Gold Corp.
- Vista Gold Corp.
- West African Resources Ltd.
- Western Copper and Gold Corp.

The CGCN Committee intends to monitor the composition of the peer group on a regular basis to ensure it is an appropriate benchmark for the Company's executive and independent director compensation practices.

Base Salary

The primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified Executive Officers. The amount payable to an Executive Officer as base salary is determined primarily by the level of responsibility and the importance of the position to the Company, and the range of salaries offered by comparable companies in a similar stage of development within the mining industry. Generally, the Company's policy is to set base salaries in the range of the 50th to 75th percentile of salaries paid to Executives in the comparator group with

similar experience and responsibilities.

The Lane Caputo report observed that the Company's 2016 remuneration provided to the majority of the executive team members was in the lower quartile of the peer group. The CGCN Committee recommended, and the Board of Directors approved, an increase in the 2017 base annual salaries of Mr. Downey to C\$300,000, Mr. Marquis to C\$270,000 and Mr. McCoy to C\$200,000. Mr. Miller's salary remained unchanged at USD\$235,000.

Annual Incentive Compensation

An annual incentive is a short-term variable element of compensation that may reward an Executive Officer for corporate and/or individual performance and is typically determined with reference to pre-set corporate and/or individual performance objectives. Annual incentives are awarded up to the targeted percentage ranges on the basis of the achievement and/or over-achievement of pre-set corporate and personal objectives for the year. These may include both quantitative and qualitative objectives for both the Company and the individual Executive Officer. The payment of a bonus in a particular year is discretionary and based on evaluation by the CGCN Committee against pre-set objectives as described. On the recommendation of the CGCN Committee, all bonuses are approved by the full Board of Directors. The table below sets out the target incentive bonus ranges for each NEO:

NEO	Title	Annual Bonus		
		Minimum	Target	Maximum
Patrick Downey	President & CEO	0%	20%	40%
Pascal Marquis	Senior VP Exploration	0%	15%	30%
Tim Miller	COO	0%	15%	30%
Joseph McCoy	CFO & Corporate Secretary	0%	10%	20%

In December 2017, the CGCN Committee met to review the performance of each of the NEOs and the Company against the corporate objectives that were set by the Board of Directors. These objectives included: (1) commence a complete review of the Bomboré Gold project with the goal of simplifying the project and improving the economics; (2) ensure continued exposure about the Company and its achievements to the investment community; (3) ensure sufficient capital to allow the Company to continue to advance the Bomboré project towards completion of a revised feasibility study; (4) monitor costs and ensure performance is within forecasts and results are achieved. The CGCN Committee considered each objective and the success of the NEOs in achieving each objective during the year. The CGCN Committee also undertook a review of overall compensation components, including base salary, against the Company's peer group. The CGCN Committee, taking these factors into consideration, determined the bonus award for each NEO, and made its recommendations to the Board of Directors. For the year 2017, cash bonuses were awarded to each NEO on the basis that the Company achieved all of its objectives and generally, overall compensation in the prior year was below average relative to the Company's peer group.

Option-Based Awards

The CGCN Committee is mandated to review and make recommendations to the Board of Directors regarding the remuneration of Executive Officers, the granting of stock options to directors, Executive Officers and key employees and service providers of the Company and the remuneration and compensation policies, including the current 2016 Plan (as defined below).

The grant of stock options to NEOs and employees is determined by the Board of Directors. The role of the CGCN Committee is to recommend for approval by the full Board of Directors, stock option awards to be granted on a periodic basis. The NEOs also play a role in administering the 2016 Plan, in that they recommend to the CGCN Committee for approval, stock-based compensation awards for non-executive employees, advisors and consultants.

The current 2016 Plan provides for the grant of stock options to directors, Executive Officers and key employees, advisors and consultants of the Company and its subsidiaries for the purpose of advancing the

interests of the Company and its shareholders through the motivation, attraction and retention of these individuals.

Individual grants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of his or her position and contribution to the Company, and previous option grants and exercise prices.

The NEOs and the directors are, under the terms of the Company's Insider Trading Policy, prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted as or underlying share-based compensation or otherwise held directly or indirectly by an NEO or a director.

Report on Executive Compensation

The table below sets forth information concerning the annual and long-term compensation earned during the last three fiscal years in respect of the individuals meeting the definition of NEOs at December 31, 2017.

Executive Compensation Table

Name and Principal Position ⁽¹⁾	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ^{(6), (7)} (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans		
Patrick Downey ⁽²⁾ President and Chief Executive Officer	2017	250,000	Nil	733,688	100,000	Nil	Nil	1,083,688
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ronald Little ⁽³⁾ Former President and Chief Executive Officer	2017	140,099	Nil	Nil	Nil	Nil	600,000	740,099
	2016	200,000	Nil	32,805	Nil	Nil	Nil	232,805
	2015	275,000	Nil	Nil	Nil	Nil	Nil	275,000
Pascal Marquis Senior Vice President Exploration	2017	270,000	Nil	146,738	50,000	Nil	Nil	466,738
	2016	200,000	Nil	32,805	Nil	Nil	Nil	232,805
	2015	275,000	Nil	Nil	Nil	Nil	Nil	275,000
Tim Miller ⁽⁴⁾ Chief Operating Officer	2017	225,415	Nil	57,139	Nil	Nil	Nil	282,554
	2016	164,282	Nil	15,490	Nil	Nil	Nil	179,772
	2015	210,956	Nil	Nil	Nil	Nil	Nil	210,956
Joseph McCoy ⁽⁵⁾ Chief Financial Officer and Corporate Secretary	2017	200,000	Nil	146,738	30,000	Nil	Nil	376,738
	2016	165,000	Nil	28,704	Nil	Nil	Nil	193,704
	2015	165,000	Nil	Nil	Nil	Nil	Nil	165,000

- (1) All NEOs, with the exception of Tim Miller receive their compensation in Canadian dollars. Mr. Miller's compensation has been converted into CAD dollars using an average USD per CAD exchange rate of 0.7833 for 2015, 0.7555 for 2016 and 0.7788 for 2017.
- (2) Mr. Downey was appointed Executive Chairman on February 1, 2017 with an annual salary of \$200,000. On May 22, 2017 Mr. Downey was appointed President and CEO and his annual salary was adjusted to \$300,000 effective July 1, 2017.
- (3) Mr. Little's last day of employment with the Company was May 19, 2017 and his salary includes total salary earned to that date plus unpaid vacations. Mr. Little's base salary at the date of termination was \$300,000 and pursuant to Mr. Little's employment agreement, he received a severance payment of 2 years salary upon notice of termination without cause.

- (4) Mr. Miller joined the Company on May 20, 2014 and his annual base salary is USD \$235,000 based on 90% availability of his business time to the Company. From October 26, 2015 to June 30, 2016 Mr. Miller agreed to reduce his availability to the Company to two days per week.
- (5) Mr. McCoy was Chief Financial Officer from December 1, 2015 to March 4, 2018. On March 4, 2018 Mr. Peter Tam was appointed Chief Financial Officer and Mr. McCoy will serve as Vice President Administration and Corporate Secretary.
- (6) The fair value of Options awarded on February 8, 2016 was estimated on the grant date using the Black-Scholes option valuation model, using the weighted average assumptions of: Expected option life – 4 years, Volatility – 85%, Risk-free interest rate – 0.55% and Dividend yield – 0%.
- (7) The fair value of Options awarded on June 23, 2017 was estimated on the grant date using the Black-Scholes option valuation model, using the weighted average assumptions of: Expected option life – 4 years, Volatility – 86%, Risk-free interest rate – 0.84% and Dividend yield – 0%.

Management Incentive Plan Awards – Outstanding Options

As part of the 2017 compensation review, on June 23, 2017 the CGCN Committee recommended that 4,850,000 stock options be granted to directors, officers and employees with an exercise price of CAD \$0.78 per share. Included in the grant were 2,250,000 stock options to the Named Executive Officers as detailed in the table below.

The following table sets out all of the Options that had been granted and are outstanding to Named Executive Officers as at December 31, 2017.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)
Patrick Downey President and Chief Executive Officer	150,000 175,000 1,500,000	0.65 0.30 0.78	January 30, 2019 February 8, 2026 June 23, 2027	80,750
Pascal Marquis Senior Vice President Exploration	200,000 400,000 150,000 200,000 200,000 300,000	0.36 0.40 0.85 0.65 0.30 0.78	March 25, 2019 May 26, 2019 July 8, 2020 January 30, 2019 February 8, 2026 June 23, 2027	288,000
Tim Miller Chief Operating Officer	300,000 125,000 150,000	0.65 0.30 0.78	May 26, 2019 February 8, 2026 June 23, 2027	69,250
Joseph McCoy Chief Financial Officer and Corporate Secretary	200,000 15,000 175,000 300,000	2.35 0.65 0.30 0.78	October 21, 2020 January 30, 2019 February 8, 2026 June 23, 2027	72,650

- (1) The value of unexercised in-the-money options at December 31, 2017 is the difference between the exercise price of the options and the closing market price of the underlying shares on December 31, 2017, which was CAD \$0.71 per common share on the TSXV.

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

The following table sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award.

Name	Option-based Awards – Value Vested in Year ⁽¹⁾ (\$)	Share-based Awards- Value Vested in Year (\$)	Non-equity Incentive Plan Compensation – Value Earned in Year (\$)
Patrick Downey President and Chief Executive Officer	28,667	Nil	100,000
Pascal Marquis Senior Vice President Exploration	28,667	Nil	50,000
Tim Miller Chief Operating Officer	17,917	Nil	Nil
Joseph McCoy Chief Financial Officer & Corporate Secretary	25,084	Nil	30,000

(1) The value vested during the year of option-based awards was calculated using the closing price of the common shares on the TSXV on the date of vesting less the exercise price of the options.

Agreements with Named Executive Officers

On February 1, 2017, the Company entered into an employment agreement with Patrick Downey in the role of Executive Chairman. The agreement was modified on July 1, 2017 with the appointment of Mr. Downey to the role of President and Chief Executive Officer. Mr. Downey's employment agreement includes termination and change of control compensation provisions. Under the terms of the employment agreement, no compensation other than compensation earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause or, voluntarily terminated. If the Company terminates his employment without cause, it is obligated to pay Mr. Downey twelve months salary. In the event that his employment is terminated due to a change of control prior to June 30, 2018 (as defined below), Mr. Downey is entitled to receive a lump sum amount equal to one year of his annual salary, a bonus percentage similar to the previous year bonus plus continuation of similar benefits over the termination period. If his employment is terminated due to a change of control after June 30, 2018 (as defined below), Mr. Downey is entitled to receive a lump sum amount equal to two years of his annual salary, a bonus percentage similar to the previous year bonus plus continuation of similar benefits over the termination period. Any option-based awards held by Mr. Downey become fully exercisable for a period of two months from the date of termination in the event of a change of control.

On March 1, 2009, the Company entered into an employment agreement with Pascal Marquis, the Company's Senior Vice President Exploration. Mr. Marquis's employment agreement includes termination and change of control compensation provisions. Under the terms of the employment agreement, no compensation other than compensation earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause or voluntarily terminated. If the Company terminates his employment without cause, it is obligated to pay Mr. Marquis a lump sum equivalent to two years of his annual salary. In the event that his employment is terminated due to a change of control (as defined below), Mr. Marquis is entitled to receive a lump sum amount equal to three years of his annual salary at the time of termination, a bonus percentage similar to the previous year bonus plus continuation of similar benefits over the termination period. Any option based awards held by Mr. Marquis become fully exercisable for a period of two months from the date of termination in the event of a change of control.

On May 20, 2014, the Company entered into an employment agreement with Timothy Miller, the Company's Chief Operating Officer. Mr. Miller's employment agreement includes termination and change of control compensation provisions. Under the terms of the employment agreement, no compensation other than compensation earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause or voluntarily terminated. In the event the Company terminates his employment without cause, it is obligated to pay Mr. Miller six months salary. In the event that his employment is terminated due to a change of control (as defined below), Mr. Miller is entitled to receive a lump sum amount equal to two years of his annual salary at the time of termination, a bonus percentage similar to the previous year bonus plus continuation of similar benefits over the termination period. Any option-based awards held by Mr. Miller become fully exercisable for a period of two months from the date of termination in the event of a change of control.

On October 5, 2010, the Company entered into an employment agreement with Joseph McCoy. On March 4, 2018, Mr. McCoy became the Company's Vice President Administration and Corporate Secretary with the appointment of Mr. Peter Tam to the role of Chief Financial Officer. Mr. McCoy's employment agreement includes termination and change of control compensation provisions. Under the terms of the employment agreement, no compensation other than compensation earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause or voluntarily terminated. If the Company terminates his employment without cause, it is obligated to pay Mr. McCoy one year of his annual salary. In the event that his employment is terminated due to a change of control (as defined below), Mr. McCoy is entitled to receive a lump sum amount equal to two years of his annual salary, a bonus percentage similar to the previous year bonus plus continuation of similar benefits over the termination period. Any option-based awards held by Mr. McCoy become fully exercisable for a period of two months from the date of termination in the event of a change of control.

For purposes of employment agreements, a "change of control" means (i) any consolidation, merger, reorganization or other transaction of the Company that results in 40% or more of the aggregate voting power being acquired by another entity, (ii) sale or disposition of all or substantially all of the Company's assets or (iii) any transaction which results in the current Board of Directors ceasing to constitute the majority of the Board of Directors. No severance is due in the event of a change of control if the employee is offered the same or higher remuneration, benefits and bonuses and his duties continue to reflect his status and qualifications prior to the change of control. If the NEOs employment is terminated within 60 days before or 180 days after a change in control, then the NEO shall be entitled to a severance payment.

The following table sets out the estimated incremental payments to the NEOs in the event of termination without cause or change of control as if such event occurred as of December 31, 2017. No payments are made in the event the Named Executive Officers resign, retire, or are terminated with cause.

Event ⁽¹⁾	Severance (\$)	Option-based awards – value vested (\$) ⁽³⁾	Benefits (\$) ⁽⁴⁾	Total (\$)
<i>Termination without cause</i> ⁽²⁾				
Patrick Downey	300,000	56,833	6,602	363,436
Pascal Marquis	540,000	260,667	15,079	815,746
Tim Miller	147,409	52,167	--	199,576
Joseph McCoy	200,000	48,733	5,263	253,997
<i>Change in control</i> ⁽⁵⁾				
Patrick Downey	840,000	80,750	13,205	933,955
Pascal Marquis	1,053,000	288,000	22,619	1,363,619
Tim Miller	766,529	69,250	--	834,779
Joseph McCoy	480,000	72,650	10,526	563,176

(1) The compensation above would be paid in Canadian dollars, with exception of Tim Miller who is paid in US dollars. US amounts have been converted into Canadian dollars using a USD per CAD exchange rate of 0.7971 as at December 31, 2017.

(2) The above severance amounts are calculated on Base Salary.

(3) The amount of the option-based awards was calculated using the closing market price of the underlying shares which, on December 31, 2017 was CAD \$0.71 per common share on the TSXV.

(4) Benefits due upon termination are estimated on current actual benefit costs.

(5) The above severance amounts are calculated on Base Salary and estimated bonus.

Director Compensation

For 2017, annual compensation for Directors who are not NEOs consisted of the following elements:

Director Compensation	(\$)
Board Member	
Cash retainer - Chairman	50,000
Cash retainer – Member	25,000
Audit Committee Chair additional retainer	10,000
Corporate Governance, Compensation and Nomination Committee Chair additional retainer	5,000
Committee Member retainer	2,500
Special Committee	
Cash retainer - Chairman	35,000
Cash retainer – Member	30,000

Cash compensation paid to non-executive directors for 2017 can be found in the table below. For the financial year ended December 31, 2017, non-executive directors of the Company were paid aggregate fees of CAD \$220,788. The fees include payment to the Special Committee formed in early 2017 to review and assess the strategic options available to the Company. Directors are also reimbursed for out-of-pocket expenses for attending Board of Directors and committee meetings or other expenses incurred for Company purposes.

Non-Executive Director Compensation Table

Name	Fees Earned (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total (\$)
Keith Peck ⁽¹⁾	87,500	611,407	Nil	698,907
Michael Halvorson	60,000	146,738	Nil	206,738
Ronald Batt	35,000	146,738	Nil	181,738
Joseph Conway	25,938	146,738	Nil	172,676
Charles Oliver ⁽²⁾	12,350	139,663	Nil	152,013

(1) Mr. Peck is not standing for re-election as a director at the Meeting.

(2) Mr. Oliver joined the Board on July 17, 2017.

Non-Executive Directors - Incentive Plan Awards – Outstanding Options

Name	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)
Keith Peck ⁽²⁾	150,000 175,000 1,250,000	0.65 0.30 0.78	January 30, 2019 February 8, 2026 June 23, 2027	80,750
Michael Halvorson	150,000 300,000 150,000 175,000 300,000	0.36 0.40 0.65 0.30 0.78	March 25, 2019 May 26, 2019 January 30, 2019 February 8, 2026 June 23, 2027	226,250
Ronald Batt	200,000 150,000 125,000 300,000	1.50 0.65 0.30 0.78	June 4, 2018 January 30, 2019 February 8, 2026 June 23, 2027	60,250
Joseph Conway	300,000 75,000 300,000	0.75 0.30 0.78	October 13, 2019 February 8, 2026 June 23, 2027	30,750
Charles Oliver	300,000	0.78	July 17, 2027	--

(1) The value of unexercised in-the-money Options at December 31, 2017 is the difference between the exercise or base price of the Options and the fair market value of the underlying shares on December 31, 2017, which was CAD \$0.71 per common share on the TSXV.

(2) Mr. Peck is not standing for re-election as a director at the Meeting.

Non-Executive Directors – Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based Awards – Value Vested in Year ⁽¹⁾ (\$)	Share-based Awards - Value Vested in Year (\$)	Non-equity Incentive Plan Compensation – Value Earned in Year (\$)
Keith Peck ⁽²⁾	25,084	Nil	Nil
Michael Halvorson	25,084	Nil	Nil
Ronald Batt	17,917	Nil	Nil
Joseph Conway	10,750	Nil	Nil
Charles Oliver	Nil	Nil	Nil

- (1) The value vested during the year of option-based awards was calculated using the closing price of the common shares on the TSXV on the date of vesting less the exercise price of the options.
 (2) Mr. Peck is not standing for re-election as a director at the Meeting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE 2009 and 2016 STOCK OPTION PLANS

The equity compensation plans that the Company has in place are the 2009 Plan that was re-approved by the shareholders at the Annual and Special Meeting of Shareholders on June 11, 2015 and the 2016 Plan that was adopted by the Company in connection with the Company’s voluntary move from the TSX to the TSXV. All future options granted by the Company will be granted under the 2016 Plan. The purpose of the 2016 Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. The 2016 Plan is administered by the directors of the Company. The 2016 Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date no later than ten years after the date of grant of such option. See “Special Business of the Meeting”. As at December 31, 2017, the number of issued and outstanding Common Shares of the Company was 154,235,364. The following table sets out equity compensation plan information as at the Company’s December 31, 2017 financial year end:

	Number of securities to be issued upon exercise of outstanding Options (#)	Weighted-average exercise price of outstanding Options (CAD\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders (2009 Plan and 2016 Plan) ⁽¹⁾	11,992,500	0.65	3,431,036
Equity compensation plans not approved by securityholders	--	--	--
Total	11,992,500	0.65	3,431,036

- (1) The 2009 Option Plan is closed and no further options will be issued under it.

On January 12, 2018, the Company announced that it granted stock options to employees, executives and directors to purchase up to an aggregate of 1,353,500 common shares, exercisable on or before January 11, 2028 at an exercise price of CAD\$0.81 per share. On April 10, 2018, the Company announced that it had closed a non-brokered private placement and sold 56,150,000 common shares of the Company at a price of CAD\$0.80 per share for gross proceeds of CAD\$44,920,000 increasing the number of issued and outstanding Common Shares of the Company to 210,385,364. The following table sets out equity compensation plan information as of the date of the Circular:

	Number of securities to be issued upon exercise of outstanding Options (#)	Weighted-average exercise price of outstanding Options (CAD\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plan approved by securityholders (2009 Plan and 2016 Plan) ⁽¹⁾	13,346,000	0.66	2,077,536
Equity compensation plans not approved by securityholders	--	--	5,615,000
Total	13,346,000	0.66	7,692,536

(1) The 2009 Option Plan is closed and no further options will be issued under it.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, or any associates of such persons, are indebted to the Company and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no director or executive officer, proposed director of the Company, persons beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, nor any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company's most recently completed fiscal year.

In April 2018, the Company completed a non-brokered private placement and issued 56,150,000 common shares at a price of CAD \$0.80 per share. Mason Hill Advisors LLC participated in this transaction and subscribed for a total of 6,593,750 common shares of the total offering.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional financial information is provided in the annual consolidated financial statements of the Company and the notes thereto, the related Management's Discussion and Analysis and the Annual Information Form, all for the fiscal year ended December 31, 2017. Copies of this Circular and the documents mentioned above are available on the Company's website (www.orezone.com) and on SEDAR (www.sedar.com).

Additional copies are also available by contacting the Company at its administrative office:

290 Picton Avenue, Suite 201
Ottawa, Ontario, K1Z 8P8
Telephone: (888) 673-0663 or (613) 241-3699
Facsimile: (613) 241-6005
Email: info@orezone.com

The Company may request the payment of reasonable fees if the requesting party is not a shareholder of the Company.

APPROVAL OF CIRCULAR

The board of directors of the Company has approved the contents of the Circular and its sending to the shareholders.

Vancouver, British Columbia,

May 24, 2018

OREZONE GOLD CORPORATION

Per: "Patrick Downey"

Patrick G. Downey,
Director, President and Chief Executive Officer

APPENDIX “A” – STOCK OPTION PLAN RESOLUTION

**RESOLUTION OF THE SHAREHOLDERS
OF
OREZONE GOLD CORPORATION
(the “Company”)**

BE IT RESOLVED as an ordinary resolution, that:

1. The 2016 stock option plan (the “**2016 Plan**”), as described in and attached to the management information circular of the Company dated May 24, 2018 and any unallocated options or other entitlements thereunder, be and are hereby confirmed, ratified and approved in their entirety; and
2. Any director or officer of the Company is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution.

APPENDIX “B” – Audit Committee Charter

1. MANDATE AND AUTHORITY

The mandate of the audit committee of the Company (the “Committee”) is to assist the board of directors of the Company (the “Board”) in fulfilling its financial oversight responsibilities with respect to ensuring the quality and integrity of:

- (i) financial reports and other financial information provided by the Company to regulatory authorities and shareholders;
- (ii) the Company’s systems of internal controls regarding finance and accounting;
- (iii) the Company’s auditing, accounting and financial reporting processes;
- (iv) the Company’s compliance with legal and regulatory requirements; and
- (v) the Company’s compliance with corporate policies and procedures.

The Committee is empowered to:

- (vi) make such inquiry and investigation and require such information and explanation from management as it considers reasonably necessary;
- (vii) require management to promptly inform the Committee and the auditor of any material misstatement or error in the financial statements following discovery of such situation;
- (viii) engage outside advisors where appropriate; and
- (ix) investigate any activity of the Company and or its subsidiaries.

In performing its duties, the Committee will serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements, ensure the independence of the Company’s external auditors and maintain an effective working relationship between the Company’s auditors, its management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least three (3) Directors, as determined by the Board, a majority of whom shall be independent within the meaning of NI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise and all members of the Committee shall be financially literate or will undertake to become so. Financially literate shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders' meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

Other than directors' fees for service as a member of the Board and any committees thereof, no directors including members of the Audit Committee shall receive any compensation from the Company or any of its affiliates including fees paid directly or indirectly for any consulting or any legal, financial or other advisory services.

3. MEETINGS AND PROCEDURES

The Committee shall meet at least four (4) times a year or more frequently if required.

- 3.1 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.
- 3.2 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.
- 3.3 The Committee may invite such other persons (e.g. the President and CEO) to its meetings as it deems appropriate.
- 3.4 External auditors shall be present in person or by teleconference at those meetings involving the review and approval of their audit plan for the year-end financial statements, the review of the results of their audit and approval of those year-end financial statements and such other meetings as considered appropriate by the committee.
- 3.5 The secretary of the Committee shall be the Corporate Secretary, or such other person as nominated by the Chairman.

4. ROLES AND RESPONSIBILITIES

The following are the general roles and responsibilities of the Committee:

- 4.1 Annual review and revision of this Charter as appropriate and with the approval of the Board of Directors.
- 4.2 Review the Company's financial statements, MD&A, Annual Information Form and any press releases regarding annual and interim earnings prior to public disclosure of such information, including any reports or other financial information which are submitted to any governmental body or to the public.
- 4.3 With respect to the external auditors the Committee will:
 - (a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;

- (b) review with management and the external auditors their audit plan for the year-end financial statements;
- (c) review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (d) annually review and discuss with the external auditors all significant relationships they may have with the Company that may impact their objectivity and independence;
- (e) consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Company or its subsidiary entities; and
- (h) Take such action as necessary to assure the rotation of the lead audit partner at least every seven years or such other period as may be required.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve audit and non-audit services, provided the pre-approval of the services is presented to the Committee at its first scheduled meeting following such approval.

4.4 Gain an understanding of:

- (a) areas of greatest risk to the Company including business, political, financial and control risks;
- (b) legal matters that could significantly impact the financial statements; and
- (c) complex or unusual transactions and judgemental issues such as the valuation of assets or liabilities, or commitments and contingencies.

4.5 Assess financial and operational results relative to budgeted or projected results.

4.6 In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

4.7 Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

- 4.8 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- 4.9 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 4.10 Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 4.11 Establish procedures for the confidential, anonymous submission by employees to the Company of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

Appendix “C” – 2016 Stock Option Plan

2016 STOCK OPTION PLAN

1. PURPOSE

The purpose of this 2016 Stock Option Plan (the “**2016 Plan**”) is to provide Orezone Gold Corporation (“**ORE**”) and its subsidiaries, present and future with the means to encourage, attract, retain and motivate certain Eligible Participants by granting such Eligible Participants stock options to purchase common shares (“**Common Shares**”) in ORE’s capital thus giving them an on-going proprietary interest in ORE.

2. DEFINITIONS

Unless otherwise defined herein, the following terms have the following meanings:

“**Affiliate**” has the meaning given to “affiliated companies” in the Ontario *Securities Act*.

“**Black-out Period**” means any period established under a disclosure, insider trading or similar policy of ORE during which officers, directors and employees may not exercise options.

“**Board**” means the board of directors of ORE, and, where applicable, includes a committee of the board of directors authorized to administer this 2016 Plan pursuant to section 3(a).

“**Consultant**” has the meaning given such term in TSXV Policy 4.4, and if such term is undefined in such policy then it shall mean an individual (other than an Employee or a Director of ORE) or company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to ORE or to an affiliate of ORE, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between ORE or an affiliate and the individual or the company, as the case may be;
- (c) in the reasonable opinion of ORE, spends or will spend a significant amount of time and attention on the affairs and business of ORE or an affiliate of ORE; and
- (d) has a relationship with ORE or an affiliate of ORE that enables the individual to be knowledgeable about the business and affairs of ORE.

“**Discounted Market Price**” means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05): closing price up to \$0.50 (25%), closing price up from \$0.51 to \$2.00 (20%), closing price above \$2.00 (15%).

“**Director**” has the meaning given such term in TSXV Policy 4.4 and at the date of this 2016 Plan means a director, senior officer or Management Company Employee of ORE, or a director, senior officer or Management Company Employee of any of the subsidiaries of ORE.

“**Eligible Participant**” means a Director, Employee or Consultant of ORE.

“**Employee**” has the meaning given such term in TSXV Policy 4.4, and if such term is undefined in such policy then it shall mean:

- (a) an individual who is considered an employee of ORE or a subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for ORE or a subsidiary providing services normally provided by an employee and who is subject to the same control and direction by ORE or a subsidiary over the details and methods of work as an employee of ORE or a subsidiary, but for whom income tax deductions are not made at source; or
- (c) an individual who works for ORE or a subsidiary on a continuing and regular basis for a minimum amount of 20 hours per week providing services normally provided by an employee and who is subject to the same control and direction by ORE or a subsidiary over the details and methods of work as an employee of ORE or a subsidiary, but for whom income tax deductions are not made at source.

“Exchange Hold Period” has the meaning given in TSXV Policy 1.1, but if not defined under such policy such term shall mean a four month resale restriction imposed by the Exchange on incentive stock options granted by ORE to any Person with an exercise price that is less than the applicable Market Price.

“Exchange Rules” means the Corporate Finance Policies of the TSXV.

“Insider” means an insider as defined in the Ontario *Securities Act* and under TSXV Policy 1.1.

“Investor Relations Activities” has the meaning given such term in TSXV Policy 4.4 but if undefined in such policy then such term shall mean any activities, by or on behalf of ORE or a shareholder of ORE, that promote or reasonably could be expected to promote the purchase or sale of securities of ORE, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of ORE:
 - (i) to promote the sale of products or services of ORE, or
 - (ii) to raise public awareness of ORE, that cannot reasonably be considered to promote the purchase or sale of securities of ORE;
- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws;
 - (ii) Exchange Rules or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over ORE;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange;

and for this purpose Persons retained to perform Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities.

“**Issued Common Shares**” means that number of Common Shares issued and outstanding, on a non-diluted basis, at any point in time as confirmed by the transfer agent and registrar for the Common Shares.

“**Management Company Employee**” has the meaning given such term in TSXV Policy 4.4 and if such term is undefined in such policy then it shall mean an individual employed by a Person providing management services to ORE, which are required for the ongoing successful operation of the business enterprise of ORE, but excluding a Person engaged in Investor Relations Activities.

“**Market Price**” has the meaning given such term in TSXV Policy 1.1.

“**Person**” means a company or an individual.

“**Senior Officer**” has the meaning given such term in the Ontario *Securities Act*.

“**Subsidiary**” has the meaning given to such term in National Instrument 45-106 – *Prospectus and Registration Exemptions* (“**NI 45-106**”), and any instrument in amendment thereto or replacement thereof.

“**TSXV**” or “**Exchange**” means the TSX Venture Exchange.

3. ADMINISTRATION

- (a) This 2016 Plan shall be administered by the Board, or any committee of the Board (a “**Committee**”) appointed by the Board to administer this 2016 Plan, which Committee may take any action in administering this 2016 Plan by means of consent resolution or majority vote of the Committee members. Without limiting the generality of the foregoing, where a Committee has been appointed by the Board to administer this 2016 Plan pursuant to a general resolution passed by the Board, such Committee has authority to:
 - (i) grant to Eligible Participants up to the number of options specified by the Board in the resolution appointing the Committee or in any other subsequent resolution(s) of the Board, the whole on the terms set out in such resolution(s);
 - (ii) exercise rights reserved to ORE under this 2016 Plan;
 - (iii) determine vesting terms and conditions for options granted under this 2016 Plan in accordance with the terms and conditions of this 2016 Plan; and
 - (iv) make all other determinations and take all other actions as it considers necessary or advisable for implementation and administration of this 2016 Plan.
- (b) The interpretation, construction and application of this 2016 Plan shall be made by the Board and shall be final and binding on all holders of options granted under this 2016 Plan and all persons eligible to participate under the provisions of this 2016 Plan.
- (c) No member of the Board or Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this 2016 Plan or any options granted under it.

4. COMMON SHARES SUBJECT TO THE 2016 PLAN

- (a) Subject to subsection 4(b), the maximum number of Common Shares which may be issued under options granted under this 2016 Plan, from time to time, shall be equal to 10% of the Issued Common Shares. Under this 2016 Plan, the total number of Common Shares

issuable will be calculated as needed, from time to time.

- (b) The following limitations apply to grants of options under this 2016 Plan:
 - (i) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the Issued Common Shares, calculated on the date an option is granted to the Person (unless ORE has obtained the requisite Disinterested Shareholder Approval);
 - (ii) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the Issued Common Shares, calculated at the date an option is granted to the Consultant;
 - (iii) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the Issued Common Shares in any 12 month period, calculated at the date an option is granted to any such Person;
 - (iv) the aggregate number of Common Shares reserved for issuance under stock options granted to Insiders (as a group) at any point in time shall not exceed 10% of the Issued Common Shares;
 - (v) Insiders (as a group) shall not be granted options exceeding 10% of the Issued Common Shares in any 12 month period calculated at the date an option is granted to an Insider; and
 - (vi) the number of Common Shares which may be issued under this 2016 Plan together with Common Shares reserved for issuance under all other stock option plans of ORE shall not exceed 10% of the Issued Common Shares.
- (c) Common Shares in respect of which an option is granted under this 2016 Plan but not exercised prior to the termination of such option, due to the expiration, termination or lapse of such option or otherwise, shall be available for options to be granted thereafter pursuant to the provisions of this 2016 Plan. All Common Shares issued pursuant to the exercise of the options granted under this 2016 Plan shall be so issued as fully paid and non-assessable Common Shares.
- (d) This 2016 Plan is an “evergreen” plan and, accordingly, any exercise of options will, subject to the overall limit provided for at subsection 4(a) above, make new grants available hereunder effectively resulting in a reloading of the number of options available to grant hereunder. In addition, options that have been cancelled, terminated or not exercised, may continue to be issuable under this 2016 Plan as new grants of options made in compliance with this 2016 Plan.
- (e) The Board (which for these purposes does not include a reference to a Committee) shall allot, set aside and reserve for issuance for the purpose of this 2016 Plan a sufficient number of Common Shares at each meeting of the Board such that the number of Common Shares issuable under section 4 shall be properly allotted, set aside and reserved for issuance.

5. ELIGIBILITY AND GRANT OF OPTIONS

- (a) Options shall be granted only to Eligible Participants or to a registered retirement savings plan established and controlled by an Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant.

- (b) Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted options under this 2016 Plan and the number of Common Shares subject to each option grant. Subject to section 14, stock options granted under this 2016 Plan shall be for the purchase of Common Shares only, and for no other security.
- (c) Unless limited by the terms of this 2016 Plan or any regulatory or stock exchange requirement, the Board shall have full and final authority to determine the terms and conditions attached to any grant of options under this 2016 Plan.
- (d) ORE may only grant options pursuant to resolutions of the Board.
- (e) ORE may not grant any options while there is an undisclosed material change or undisclosed material fact relating to ORE.
- (f) In determining options to be granted to Eligible Participants, the Board shall give due consideration to the value of each such Eligible Participant's present and potential contribution to the success of ORE.
- (g) Any option granted under this 2016 Plan shall be subject to the requirement that, if at any time ORE shall determine that the listing, registration or qualification of the Common Shares subject to such option, or such option itself, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such option or the issuance or purchase of Common Shares thereunder, such option may not be granted, accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board (which for these purposes does not include a reference to a Committee). For certainty, it is expressly stated that ORE may only grant options, and issue Common Shares on exercise thereof, to Eligible Participants resident in jurisdictions in Canada where NI 45-106 has been complied with. However, nothing herein shall be deemed or construed to require ORE to apply for or to obtain such listing, registration, qualification, consent or approval.
- (h) For options granted to Employees, Consultants or Management Company Employees, ORE and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
- (i) The Board shall complete and file, in accordance with applicable law, or shall cause to be completed and filed, all notices, reports, filings or other documentation required by applicable law, regulatory requirement or stock exchange rule, in connection with a grant of options or an issuance or purchase of Common Shares thereunder.

6. PRICE

- (a) The option exercise price per Common Share that is subject of any option shall be fixed by the Board when such option is granted.
- (b) The option exercise price per Common Shares shall not be less than the Discounted Market Price. If ORE does not issue a news release to fix the exercise price pursuant to TSXV Policy 4.4, the Discounted Market Price is the last closing price before the date of the grant.
- (c) Where the exercise price of an option is at a discount to Market Price, all stock options and any Common Shares issued under such options exercised prior to the expiry of the

Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the stock options were granted.

- (d) The Board shall not set the exercise price of any option on the basis of a Market Price which does not reflect material information of which the directors and senior officers of ORE are aware but which has not been generally disclosed to the public.
- (e) The option price per share will be expressed in Canadian dollars.

7. PERIOD OF OPTION AND RIGHTS TO EXERCISE

- (a) Subject to the provisions of this section 7 and sections 8 and 9 below, options will be exercisable in whole or in part, and from time to time, at any time following the date of grant and prior to the expiry of their term, but provided that if an option expires during a black-out period (including expiry of an option under subsections 8(a) and 8(b) below but not including expiry of an option if the Eligible Participant shall cease to be an Eligible Participant for cause), then the option shall remain exercisable until the period ending up to 10 trading days after the end of such black-out period, notwithstanding the expiry of its term, except that in no event may such exercise occur more than ten years after the initial grant date of the option.
- (b) Options shall not be granted for a term exceeding ten years (but subject to extension in the case of black-out period as described in subsection 7(a) above).
- (c) Subject to the Board's sole discretion in modifying the vesting of options, from time to time, options granted shall vest, and become exercisable, upon and subject to such terms, conditions and limitations as contained herein and otherwise as the Board may from time to time determine with respect to each option except that options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months and no more than 25% of such options can vest in any three month period.
- (d) The Common Shares to be purchased upon each exercise of an option shall be paid for in full in cash by the Eligible Participant at the time of exercise.
- (e) Except as provided in paragraph 8 and 9 below, no option which is held by an Eligible Participant may be exercised unless the Eligible Participant is then an Eligible Participant, and in the case of an Employee, the Employee has been continually employed by ORE since the date of the grant of the option, but provided that an authorized absence of leave shall not be considered an interruption of employment for purposes of this 2016 Plan.

8. CESSATION OF PROVISION OF SERVICES

- (a) **Death of an Eligible Participant.** In the event of the death of an Eligible Participant during the term of the Eligible Participant's option, the option theretofore granted to the Eligible Participant shall be exercisable within, but only within, the period of one year next succeeding the Eligible Participant's death, and in no event after the expiry date of the option. Before expiry of an option under this paragraph 8(a), the Board shall notify the Eligible Participant's representative in writing of such expiry no less than twenty (20) days prior to its expiry.
- (b) **Termination of Employment or Office.** Subject to the discretion of the Board to determine otherwise (which for these purposes does not include a reference to a Committee), and this section 8, if any Eligible Participant shall cease to be an Eligible Participant of, or to, ORE, for any reason, other than for cause or death, he or she may exercise any option issued under this 2016 Plan that is then exercisable, but only within

the period that is 30 days from the date that he or she ceases to be an Eligible Participant. Before expiry of an option under this paragraph 8(b), the Board shall notify the former Eligible Participant in writing of such expiry no less than five (5) days prior to its expiry. In the event that an Eligible Participant ceases to be an Eligible Participant because of termination for cause, the options of the Eligible Participant not exercised at such time shall immediately be cancelled on the date of such termination and be of no further force or effect whatsoever notwithstanding anything to the contrary in this 2016 Plan.

- (c) **Other.** If any Eligible Participant shall cease to be an Eligible Participant for any reason other than provided for in this section 8, the options of the Eligible Participant not exercised at such time shall immediately be cancelled and be of no further force or effect whatsoever.

9. EXTENSION OF OPTION

In addition to the provisions of section 8, the Board (which for these purposes does not include a reference to a Committee) may extend the period of time within which an option held by a deceased Eligible Participant may be exercised or within which an option may be exercised by an Eligible Participant who has ceased to be an Eligible Participant but such an extension shall not be granted beyond the original expiry date of the option. Any extensions of options granted under this 2016 Plan are subject to any applicable regulatory or stock exchange approvals required at such time.

10. NON-TRANSFERABILITY OF OPTION

Subject to applicable law, no option granted under this 2016 Plan shall be assignable or transferable otherwise than:

- (a) by will or by the laws of descent and distribution, and such option shall be exercisable, during an Eligible Participant's lifetime, only by the Eligible Participant (subject to subsection 8(a)); or
- (b) to a Eligible Participant's registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF"), provided that the Eligible Participant is, during the Eligible Participant's lifetime, the sole beneficiary of the RRSP or RRIF.

11. AMENDMENT AND TERMINATION OF THE 2016 PLAN

- (a) Subject to subsection 11(b), the Board (which for these purposes does not include a reference to a Committee) may at any time, and from time to time, and without shareholder approval, amend any provision or terminate this 2016 Plan, that is an amendment to fix typographical errors or amendments to clarify the existing provisions of this 2016 Plan that do not substantively alter the scope, nature and intent of the provisions. Any other amendment shall require the approval of the Exchange except as provided in subsection 11(c).
- (b) Notwithstanding subsection 11(a) and any Exchange approval to an amendment, the Board (nor the Committee) shall not be permitted to amend:
 - (i) subsection 4(a) in order to change the percentage of Common Shares issuable under this 2016 Plan;
 - (ii) the limitations in subsection 4(b);
 - (iii) section 6 in any manner;
 - (iv) the method for determining the exercise price of options;

- (v) the definition of “Eligible Participant” or the persons eligible to participate in this 2016 Plan;
- (vi) the exercise price of any option issued under this 2016 Plan to an Insider where such amendment reduces the exercise price of such option; or
- (vii) the expiry and termination provisions herein;

in each case without first having obtained the approval of a majority of the holders of Common Shares voting at a duly called and held meeting of holders of Common Shares (excluding votes held by any Insider benefiting from the proposed amendment) (“**Disinterested Shareholder Approval**”).

- (c) ORE may amend the terms of a stock option without the acceptance of the Exchange in the following circumstances, but provided ORE issues a news release outlining the terms of the amendment:
 - (i) to reduce the number of Common Shares under option;
 - (ii) to increase the exercise price of an option; or
 - (iii) to cancel an option.
- (d) Any amendment or termination shall not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option granted prior to such amendment or termination.
- (e) Notwithstanding the foregoing, this 2016 Plan will automatically terminate when, and if, any of the authorizations required to authorize this 2016 Plan shall cease.

12. EVIDENCE OF OPTIONS

Following the grant of an option in accordance with this 2016 Plan, ORE shall forward to such Eligible Participant, a Notice of Grant (the “**Notice**”) substantially in the form established by ORE from time to time as may be applicable, which Notice shall evidence the grant of the option under this 2016 Plan. ORE shall also forward to the Eligible Participant, in addition to the Notice, a copy of this 2016 Plan (on the first grant of an option) and any other documentation that may be required by applicable law, stock exchange or regulatory requirements.

13. EXERCISE OF OPTION

- (a) An option may be exercised from time to time by delivering to ORE at its head or registered office, a written notice of exercise specifying the number of Common Shares with respect to which the option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased.
- (b) Upon receipt of a certificate of an authorized officer directing the issue of Common Shares purchased under this 2016 Plan, the transfer agent of ORE is authorized and directed to issue and countersign share certificates for the purchased Common Shares in the name of the Eligible Participant or the Eligible Participant’s legal personal representative or as may otherwise be directed in writing by the Eligible Participant, including into a book-entry system, if requested.
- (c) Notwithstanding paragraph 5(g), ORE shall not, upon the exercise of any option, be required to register, issue or deliver any Common Shares prior to: (a) the listing of such Common Shares on any stock exchange on which the Common Shares may then be listed,

and (b) the completion of such registration or other qualification of such Common Shares under any law, rules or regulation as ORE shall determine to be necessary or advisable (including, without limitation, NI 45-106). If any Common Shares cannot be registered, issued or delivered to any Eligible Participant for whatever reason, the obligation of ORE to issue such Common Shares shall terminate and any option exercise price paid to ORE shall be returned to the Eligible Participant without deduction or interest.

- (d) If ORE or a subsidiary or affiliate is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of any stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of options, then the Eligible Participant shall:
 - (i) pay to ORE or the subsidiary or affiliate, in addition to the exercise price for the options, sufficient cash as is reasonably determined by ORE to be the amount necessary to permit the required tax remittance;
 - (ii) permit ORE or the subsidiary or affiliate to sell or cause to be sold by a broker or agent engaged by ORE, on behalf of the Eligible Participant, such number of Common Shares issuable to the Eligible Participant on the exercise of such options as is sufficient to fund ORE's or the subsidiary or affiliate's obligations to make source deductions; or
 - (iii) make other arrangements acceptable to ORE to fund the required tax remittance.
- (e) The sale of Common Shares by ORE, or by a broker or agent engaged by the ORE or a subsidiary or affiliate in accordance with subsection 13(d)(ii), will be made on the exchange on which the Common Shares are then listed for trading. The Eligible Participant consents to such sale and grants to ORE an irrevocable power of attorney to effect the sale of such Common Shares on his or her behalf and acknowledges and agrees that:
 - (i) the number of Common Shares sold shall, at a minimum, be sufficient to fund ORE or the subsidiary or affiliate's obligations to make source deductions, net of any selling costs, which costs are the responsibility of the Eligible Participant and which the Eligible Participant hereby authorizes to be deducted from the proceeds of such sale;
 - (ii) in effecting the sale of any such Common Shares, ORE or the subsidiary or affiliate or the broker or agent will exercise its sole judgement as to the timing and the manner of sale and will not be obligated to seek or obtain any minimum price;
 - (iii) neither ORE nor the subsidiary or affiliate, nor the broker or agent will be liable for any loss arising out of any sale of such Common Shares, including any loss relating to the pricing, manner of timing of such sales or any delay in transferring any Common Shares to an Eligible Participant or otherwise; and
 - (iv) the sale price of Common Shares will fluctuate with the market price of the Common Shares and no assurance can be given that any particular price will be received upon any sale.
- (f) It is the responsibility of the Eligible Participant to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise of options.
- (g) In the event any taxation authority should reassess ORE or a subsidiary or affiliate for failure to have withheld income tax, or other similar payments from the Eligible Participant, pursuant to the provisions herein, the Eligible Participant shall reimburse and save

harmless ORE, the subsidiary or affiliate for the entire amount assessed, including penalties, interest and other charges.

14. ADJUSTMENTS IN SHARES SUBJECT TO THE 2016 PLAN

For the purposes of Section 14, any reference to the Board does not include a reference to a Committee.

- (a) **Adjustment.** Subject to this section 14, the aggregate number and kind of shares or other securities available or issuable under this 2016 Plan shall be appropriately and equitably adjusted in the event of an arrangement, reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares or other securities of ORE. The options granted under this 2016 Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change.
- (b) **Effect of Take-Over Bid.** If a bona fide offer (the “Offer”) for Common Shares is made to an Eligible Participant or to shareholders generally or to a class of shareholders which includes an Eligible Participant, which Offer, if accepted in whole or in part, would result in the offeror exercising control over ORE within the meaning of the Ontario *Securities Act*, then ORE shall, if instructed by the Board in its sole discretion, notify each Eligible Participant of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedule so that despite the other terms of this 2016 Plan, any options granted under this 2016 Plan may be exercised in whole or in part by Eligible Participants so as to permit Eligible Participants to tender the Common Shares received upon the exercise of options (the “**Optioned Shares**”) pursuant to the Offer. If:
 - (i) the Offer is not complied with within the time specified therein;
 - (ii) the Eligible Participant does not tender the Optioned Shares pursuant to the Offer; or
 - (iii) all of the Optioned Shares tendered by the Eligible Participant pursuant to the Offer are not taken up and paid for by the offeror in respect thereof.

then, at the discretion of the Board, the Optioned Shares or, in the case of clause (iii) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Eligible Participant and reinstated as authorized but unissued Common Shares and the terms of the option as set forth in this 2016 Plan and the Notice shall again apply to the Option. If any Optioned Shares are returned to ORE under this Section, ORE shall refund the exercise price to the Eligible Participant for such Optioned Shares.

- (c) **Effect of Reorganization, Amalgamation, Merger, etc.** If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of ORE with or into another corporation, a separation of the business of ORE into two or more entities or a transfer of all or substantially all of the assets of ORE to another entity, at the discretion of the Board, upon the exercise of an option under this 2016 Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such option shall be exercisable, and any such adjustments shall be binding for all purposes of this 2016 Plan.

Notwithstanding any other term of this 2016 Plan, the Board has the sole discretion to amend, abridge or eliminate any vesting terms, conditions or schedule or to otherwise amend the conditions of exercise so that any such option may be exercised in whole or in part by the Eligible Participant so as to entitle the Eligible Participant to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his Option immediately prior to the applicable record date or event.

15. RIGHTS PRIOR TO EXERCISE

An Eligible Participant shall have no rights whatsoever as a shareholder in respect of any Common Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Eligible Participant shall have exercised the option to purchase hereunder and which the Eligible Participant shall have actually taken up and paid for in full. For greater certainty a holder of an option under this 2016 Plan shall not be permitted to vote on any arrangement of ORE proposed to the holders of Common Shares of ORE.

16. NO CONTINUED SERVICE

The granting of an option to an Eligible Participant under this 2016 Plan shall not impose upon ORE, any subsidiary or any affiliate any obligation whatsoever to retain the Eligible Participant as a service provider of such entity.

17. GOVERNING LAW

This 2016 Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario.

18. EXPIRY OF OPTION

On the expiry date of any option granted under this 2016 Plan, and subject to any extension of such expiry date permitted in accordance with this 2016 Plan, such option shall forthwith expire and terminate and be of no further force or effect whatsoever, or as to the Common Shares in respect of which the option has not been exercised.

19. SUPREMACY

To the extent there is any inconsistency between this 2016 Plan and Exchange Rules, the Exchange Rules shall prevail.

20. EFFECTIVE DATE OF THE 2016 PLAN

This 2016 Plan becomes immediately effective on the date that the last of the following approvals is received:

- (a) the approval of a majority of the Board; and
- (b) the approval of the shareholders of ORE.

21. APPROVAL

- (a) Unless Exchange Rules otherwise provide, this 2016 Plan must receive the approval of shareholders at the annual general meeting of ORE for that year.
- (b) Where any shareholder approval required in this 2016 Plan is required to be Disinterested Shareholder Approval, such approval must be determined and calculated as required by

Exchange Rules.

- (c) This 2016 Plan was:
 - (i) duly approved, ratified and confirmed by the Board on May 17, 2016.
 - (ii) was initially approved by the shareholders of ORE on June 21, 2016 and last approved by the shareholders of ORE on June 21, 2017.

OREZONE

TSXV: ORE